

TITLE 44: GOVERNMENTAL CONTRACTS, GRANTMAKING,
PROCUREMENT AND PROPERTY MANAGEMENT
SUBTITLE F: GRANTMAKING
CHAPTER I: GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

PART 7000
GRANT ACCOUNTABILITY AND TRANSPARENCY ACT

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AUTHORITY: Implementing and authorized by the Grant Accountability and Transparency Act [30 ILCS 708].

SOURCE: Adopted at 39 Ill. Reg. 10777, effective July 24, 2015; former Part repealed at 42 Ill. Reg. 18913 and new Part adopted at 42 Ill. Reg. 18916, effective October 5, 2018; amended at 47 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL

Section 7000.10 Purpose and Applicability

a) The Act and This Part

1) The Grant Accountability and Transparency Act (Act or GATA) is *intended to comply with the General Assembly's directives to:*

A) *develop a coordinated, nonredundant process for the provision of effective and efficient oversight of the selection and monitoring of grant recipients, thereby ensuring quality programs and limiting fraud, waste and abuse; and*

B) *define the purpose, scope, applicability and responsibilities in the life cycle of a grant. [30 ILCS 708/5(a)]*

2) *GATA is also intended to increase the accountability and transparency in the use of grant funds from whatever source and to reduce administrative burdens on both State agencies and grantees by adopting federal guidance and regulations applicable to those grant funds; specifically, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Requirements (UR)). [30 ILCS 708/5(b)]*

3) *GATA is consistent with the State's focus on improving performance and outcomes while ensuring transparency and the financial integrity of taxpayer dollars through such initiatives as the Management Improvement Initiative Committee created by Section 1-37a of the Department of Human Services Act, the State prioritized goals created under Section 50-25 of the State Budget Law (also known as "Budgeting for Results"), and the Grant Information Collection Act. [30 ILCS 708/5(c)]*

4) *Supersession of GATA*
Section 80 of GATA states that, on and after July 1, 2015, in the event of a conflict with the Grant Funds Recovery Act, the provisions of GATA shall control. [\[30 ILCS 708/80\]](#)

b) Purpose

1) *The purpose of [GATA and this Part](#) ~~GATA~~ is to establish uniform administrative requirements, cost principles, and audit requirements for State-~~issued awards~~ ~~grants~~ and federal pass-through awards to non-federal entities. State ~~awarding~~ ~~grantmaking~~ agencies shall not impose additional or inconsistent requirements, except as provided in UR section 200.102, unless specifically required by State or federal statute. GATA and this Part do not apply to private awards.*

2) *GATA and this Part provide the basis for a systematic and periodic collection and uniform submission to the Governor's Office of Management and Budget of information ~~on~~ ~~of~~ all State and federal financial assistance programs by ~~State awarding~~ ~~grantmaking~~ agencies. GATA and this Part also establish policies related to the delivery of this information to the public, including through the use of electronic media. [30 ILCS 708/10] (Refer to Section 7000.50 and 7000.250 for State agency responsibilities associated with the Catalog of State Financial Assistance.)*

c) Applicability

- 1) *The requirements established under GATA apply to State ~~awarding grantmaking~~ agencies that make State and federal pass-through awards to nonfederal entities. These requirements apply to all costs related to ~~State federal~~ and federal pass-through awards. The requirements established under GATA do not apply to private awards. [30 ILCS 708/45(a)]*
- 2) *Nothing in GATA shall prohibit the use of State funds for purposes of federal match or maintenance of effort. [30 ILCS 708/45(a-5)]*
- 3) *The terms and conditions of State, ~~federal~~ and federal pass-through awards apply to subawards and subrecipients unless a particular Section of GATA or the terms and conditions of the award specifically indicate otherwise. Non-federal entities receiving State or federal pass-through funds shall comply with the requirements of GATA regardless of whether the non-federal entity is a recipient or subrecipient of the award/grant. Pass-through entities shall comply with the requirements set forth under this Part, but not to any requirements in GATA directed towards State grantmaking agencies or federal awarding agencies, unless the requirements of the federal awards indicate otherwise. [30 ILCS 708/45(b)]*
- 4) *When a non-federal entity is awarded a cost-reimbursement contract, only UR subpart D (Subrecipient Monitoring and Management)~~sections 200.330 through 200.332~~ are incorporated by reference into the contract. However, when the Cost Accounting Standards are applicable to the contract, they take precedence over the requirements of GATA unless they are in conflict with UR subpart F. In addition, costs that are made unallowable under 10 U.S.C.~~USC~~ 2324(e) and 41 U.S.C.~~USC~~ 4304(a), as described in the Federal Acquisition Regulations, subparts 31.2 and 31.603, are always unallowable. For requirements other than those covered in UR subpart D, the terms of the contract and FAR apply. [30 ILCS 708/45(b)]*
- 5) *With the exception of UR subpart F, which is required by the federal Single Audit Act, in any circumstances in which the provisions of federal statutes or regulations differ from the provisions of the Act, the federal statutes or regulations govern. [30 ILCS 708/45(b)]*
- 6) *State ~~awarding grantmaking~~ agencies may apply UR subparts A through E to for-profit entities, foreign public entities, or foreign organizations,*

except when the ~~State awarding grantmaking~~ agency determines that the application of these subparts would be inconsistent with the international obligations of the United States or the statutes or regulations of a foreign government. [30 ILCS 708/45(c)]

- 7) Except for UR subpart D (Subrecipient Monitoring and Management) and UR ~~section~~sections 200.202-and 200.330 through 200.332, the requirements of UR subparts C, D and E do not apply to the programs listed in UR section 200.101 and Section 45(d) of the Act. [30 ILCS 708/45(d)]
- 8) ~~Section 5(b) of GATA applies to State funded grants any federal guidance and regulations that are applicable to those grants.~~

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.20 Grant Accountability and Transparency Unit (GATU)

- a) Under Section 55(b) of the Act, the Governor's Office of Management and Budget (GOMB) shall establish a centralized unit within GOMB known as the Grant Accountability and Transparency Unit.
- b) GATU will be responsible for adopting rules, implementing a State-wide grants management framework for compliance with the rules, and monitoring the implemented framework.
- c) GATU will be funded with a portion of the administrative funds provided under existing and future State, federal pass-through, and federal grants. State agency charges will be allocated through a revolving fund named the GATA Fund. State agency charges will be based on the actual cost of the services provided in accordance with applicable federal cost principles contained in the Uniform Requirements. The GATA Fund may include catch-up billings for prior fiscal year amounts due. State agencies can ~~use~~utilize appropriations from the fiscal year in which the catch-up billing is issued.
- d) GATA will not cause a reduction in the amount of State or federal awards that have been or will be directed to State agencies or public institutions of higher education.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.30 Definitions

The following definitions shall apply to this Part. Unless otherwise noted, statutory text is from [30 ILCS 708/15].

"Acquisition Cost" means the cost of the asset, including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duties, protective in-transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the awardee's regular accounting practices.

"Act" or "GATA" means the Grant Accountability and Transparency Act [30 ILCS 708].

"Administrative Rules" means the administrative rules codified in the Illinois Administrative Code.

"Advance Payment" means a payment that a State ~~awarding grantmaking~~ agency ~~or~~ federal awarding agency ~~or pass-through entity~~ makes by any appropriate payment mechanism, including a predetermined payment schedule, before the awardee disburses the funds for program purposes.

~~"A/E" means architectural and engineering services.~~

~~"AICPA" means the American Institute of Certified Public Accountants.~~

"Allocation" means the process of assigning a cost, or a group of costs, to one or more cost objectives, in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost directly to a final cost objective or through one or more intermediate cost objectives.

"Allowable Cost" means a cost allowable to a project (i.e., that can be paid for using award funds). Costs will be considered to be allowable if they:

are reasonable and necessary for the performance of the award;

are allocable to the specific project;

are treated consistently in like circumstances to federally-financed, State-financed, and other activities of the awardee;

conform to any limitations of the cost principles or the sponsored agreement;

are accorded consistent treatment (a cost may not be assigned to a State or federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an indirect cost);

are determined to be in accordance with generally accepted accounting principles;

are not included as a cost or used to meet federal cost-sharing or matching requirements of any other program in either the current or prior period;

are not used to meet the match requirements of another State or federal grant; and

are adequately documented.

"Assistance Listings" (formerly "Catalog of Federal Domestic Assistance" or "CFDA") means the publicly available listing of federal assistance programs managed and administered by the U.S. General Services Administration.

"Assistance Listing Number" (formerly "CFDA Number") means a unique number assigned to identify a federal Assistance Listing.

"Assistance Listing Program Title" (formerly "CFDA Program Title") means the title of the program that corresponds to the federal assistance listings number.

"Audit Finding" means deficiencies the auditor is required, by UR section 200.516(a), to report in the schedule of findings and questioned costs.

"Auditee" means any awardee that expends State, federal, or federal pass-through awards that must be audited as provided in UR Subpart F (Audit Requirements).

"Auditor" means an auditor who is an Illinois licensed public accountant or a federal, State, or local government audit organization that meets the general standards specified for external auditors in ~~generally accepted~~ generally accepted government auditing standards (GAGAS). "Auditor" does not include internal auditors of nonprofit organizations.

"Auditor General" means the Auditor General of the State of Illinois.

"Award" or "Grant" means financial assistance that provides support or stimulation to accomplish a public purpose. "Awards" include grants and other agreements in the form of money, or property in lieu of money, by the State agency or federal government to an eligible recipient. "Award" does not include: technical assistance that provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies or insurance; direct payments of any kind to individuals; or contracts that must be entered into and administered under State or federal procurement laws and regulations. ~~In this Part, the term "Award" is used interchangeably with "Grant".~~

"Awardee" ~~or "Non-Federal Entity"~~ means a State, local government, institution of higher education, or organization, whether nonprofit or for-profit, that receives ~~carries out a~~ State, federal or federal pass-through financial assistance from a State or federal agency ~~award/grant as a recipient or subrecipient~~. In this Part, "awardee", "grantee", and "non-federal entity" are used interchangeably.

~~"Awarding Agency" means a State or federal agency or pass-through entity that has grant-making authority.~~

"Billing Rate" means a temporary indirect cost rate applicable to a specified period that is used for funding, interim reimbursement, and reporting indirect costs on federal or federal pass-through awards pending the establishment of a final rate for the period. (See also the definition of provisional rate.)

"Budget" means the financial plan for the award ~~project or program~~ that the State awarding ~~grantmaking~~ agency ~~or federal awarding agency or pass-through entity~~ approves during the award ~~grant~~ process or in subsequent amendments to the award ~~grant~~. It may include the awardee's matching funds or other in-kind contributions ~~State or federal and non-federal share or only the State or federal share, as determined by the awarding agency or pass-through entity.~~

"Budget Period" means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to UR Section 200.308.

"Call to Action" means a communication that includes any one or more of the following:

The communication states that the recipient should contact a member or employee of a legislative body, or any other government official or

employee who may participate in the formulation of legislation, when the principal purpose of the contact is lobbying.

The communication states the address, telephone number, or similar information of a legislator or an employee of a legislative body.

The communication provides a petition, a tear-off postcard, or similar material for the recipient to communicate with any such individual.

The communication specifically identifies one or more legislators who will vote on the legislation, indicating that the legislator will:

oppose the organization's view with respect to the legislation;

be undecided with respect to the legislation;

be the recipient's representative in the legislature; or

be a member of the legislative committee or subcommittee that will consider the legislation.

Naming the main sponsors of the legislation for purposes of identifying the legislation does not independently constitute a call to action.

"Capital Assets" means tangible or intangible assets used in operations having a useful life of more than one year that are capitalized in accordance with GAAP. Capital assets include:

Land, buildings (facilities), equipment and intellectual property (including software); and whether acquired by purchase, construction, manufacture, lease-purchase or exchange, or through capital leases; and

Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

For purposes of this Part, capital assets do not include intangible right-to-use assets (per GASB) and right-to-use operating lease assets (per FASB) (for example, assets capitalized that recognize a lessee's right to control the use of property or equipment for a period of time under a lease contract).

"Capital Expenditures" means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life.

"CAS" means the Cost Accounting Standards established by the Federal Cost Accounting Standards Board.

~~"Catalog of Federal Domestic Assistance" or "CFDA" means the database, accessible at <http://www.cfda.gov> <http://www.cfda.gov>, that helps the federal government track all programs it has domestically funded.~~

~~"Cash Management Improvement Act of 1990" or "CMIA" (31 U.S.C. 6501) means the rules and procedures for the efficient transfer of federal financial assistance between the federal agencies and the states. The implementing regulations are in 31 CFR 205.~~

~~"Catalog of Federal Domestic Assistance Number" or "CFDA Number" means the number assigned to a federal program in the CFDA.~~

"Catalog of State Financial Assistance" or "CSFA" means the single, authoritative, ~~statewide~~ Statewide, comprehensive source document of State financial assistance program information maintained by the Governor's Office of Management and Budget (available at <http://grants.illinois.gov>).

"Catalog of State Financial Assistance Number" or "CSFA Number" means the number assigned to a State program in the CSFA. The first 3 digits represent the State agency number and the last 4 digits represent the program.

"Central Service Cost Allocation Plan" means the documentation identifying, accumulating and allocating or developing billing rates based on the allowable costs of services provided by the State or local government on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

~~"CFDA Program Title" means the title of the program under which the federal award was funded in the CFDA.~~

"CFO Council" means the federal Chief Financial Officer Council (see <https://www.cfo.gov/about-the-council/>)

"Chief Accountability Officer" or "CAO" means the individual appointed by the State awarding ~~grantmaking~~ agency to serve as its liaison to GATU. The CAO is

responsible for the State agency's implementation of and compliance with grant management rules. All State awarding~~grantmaking~~ agencies are required to appoint a CAO in accordance with Section 50(b) of the Act.

"Claim" means, depending on the context, either:

A written demand or written assertion by one of the parties to a State award or federal or federal pass-through award seeking, as a matter of right:

The payment of money in a sum certain;

The adjustment or interpretation of the terms and conditions of the award/grant; or

Other relief arising under or relating to a State, federal or federal pass-through award/grant; or

A request for payment that is not in dispute when submitted.

"Class (of Awards)" means a group of State-issued awards ~~or federal awards~~ either awarded under a specific program or group of programs or to a specific type of awardee or group of awardees to which specific provisions or exceptions may apply.

"Closeout" means the process by which the State awarding~~grantmaking or federal awarding~~ agency ~~or pass-through entity~~ determines that all applicable administrative actions and all required work of the federal award or State-issued award ~~grant~~ have been completed and takes the actions ~~as~~ described in UR section 200.344~~343~~ or Section 7000.440 of this Part.

"Cluster of Programs" means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters. A "cluster of programs" shall be considered as one program for determining major programs and, with the exception of research and development, whether a program-specific audit may be elected.

"CMIA" means the federal Cash Management Improvement Act (31 U.S.C. 6501 note) and the Department of the Treasury's Rules and Procedures for Efficient Federal-State Funds Transfers (31 CFR 205).

"CMS" means the Illinois Department of Central Management Services.

~~"CFO Council" means the federal Chief Financial Officer Council (see <http://efo.gov/grants>).~~

~~"Compliance Supplement" means UR appendix XI. ~~(previously known as the OMB Circular A-133 Compliance Supplement).~~~~

"Comprehensive Annual Financial Report" or "CAFR" means the financial report of a governmental entity. The report contains basic financial statements, notes to the basic financial statements, and required supplementary information (RSI), plus voluntarily provided supplementary information (SI) such as an introductory section, supporting schedules with more detailed financial information than is found in the financial statements, and a statistical section.

"Computing Devices" means machines used to acquire, store, analyze, process and publish data and other information electronically, including accessories (or peripherals) for printing, transmitting and receiving, or storing electronic information. (See also the definitions of "Information technology systems" and "Supplies".)

"Conflict of Interest" means a situation that arises when a person in a position of authority over an organization, such as an officer, director or manager, may benefit financially from a decision ~~made~~~~he or she could make~~ in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

"Conflict of Interest Policy" means a policy that defines conflict of interest, identifies the classes of individuals within an organization covered by the policy, facilitates disclosure of information that may help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest.

"Contract" means a legal instrument by which an awardee purchases property or services needed to carry out the project or program under an award/grant.

"Contract" does not include a legal instrument, even if the awardee considers it a contract, when the substance of the transaction meets the definition of an award or subaward.

"Contractor" means a person or entity that receives a contract funded through grant funds awarded by a State ~~awarding grantmaking~~ agency or IHE.

"Cooperative Agreement" means a legal instrument of financial assistance between a State ~~awarding grantmaking~~ agency, federal awarding agency or pass-

through entity and an awardee consistent with 31 U.S.C.~~USC~~ 6302 through 6305 that:

is used to enter into a relationship with the principal purpose of transferring anything of value from the State awarding agency or pass-through entity to the awardee to carry out a public purpose authorized by law, but is not used to acquire property or services for the State awarding agency's or pass-through entity's direct benefit or use; and

is distinguished from a grant in that it provides for substantial involvement between the State awarding agency or pass-through entity and the awardee in carrying out the activity contemplated by the award.

"Cooperative Audit Resolution" means the use of audit follow-up techniques that promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing an understanding between the State or federal agency and the awardee. This approach is based upon:

a strong commitment, by State, federal and federal pass-through entity and awardee leadership, to program integrity;

State, federal and federal pass-through entities strengthening partnerships and working cooperatively with awardees and their auditors, and awardees and their auditors working cooperatively with State, federal and pass-through entities;

a focus on current conditions and corrective action going forward;

State, federal and federal pass-through entities offering appropriate relief for past noncompliance when audits show prompt corrective action has occurred; and

State, federal and federal pass-through agency leadership sending a clear message that continued failure to correct conditions identified by audits that are likely to cause improper payments, fraud, waste or abuse is unacceptable and will result in sanctions.

"Corrective Action" means action taken by the auditee that:

corrects identified deficiencies;

produces recommended improvements; or

demonstrates that audit findings are either invalid or do not warrant auditee action.

"COSO" means the Committee of Sponsoring Organizations of the Treadway Commission, a joint initiative of the Institute of Management Accountants (IMA), the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), the Institute of Internal Auditors (IIA) and Financial Executives International (FEI). COSO has established an internal control model that companies and organizations use to assess their control systems.

"Cost Allocation Plan" means a central service cost allocation plan or public assistance cost allocation plan.

"Cost Objective" means a program, function, activity, award, organizational subdivision, contract or work unit for which cost data is desired and for which provision is made to accumulate and measure the cost of processes, products, jobs and capital projects. A "cost objective" may be a major function of the awardee, a particular service or project, an award, or an indirect cost activity.

"Cost Sharing" means the portion of project costs, including ~~third-party~~ ~~third party~~ in-kind contributions, not paid by State, federal or federal pass-through funds, unless otherwise authorized by statute. (See also the definition of matching.)

"Data Universal Numbering System Number" or "DUNS number" means a unique nine-digit identification number provided by Dun & Bradstreet for each physical location of the grantee's organization ~~the 9-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify entities and that, under federal law, is required for non-federal entities to apply for, receive, and report on a federal award as a unique identifier. Entities required to have a DUNS number for the purpose of State or federal contracts or grants can obtain one for free at <http://fedgov.dnb.com/webform>.~~

"Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes.

"Direct Costs" means costs that can be identified specifically with a particular final cost objective, such as a State, federal or federal pass-through award or a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

"Direct Lobbying" means any attempt to influence legislation or executive action through communications with:

any member or staff of a legislative or executive body;

any governmental official or employee (other than a member or employee of a legislative or executive body) who may participate in formulating legislation, but only if the principal purpose of the communication is to influence legislation or executive action; or

the general public.

The communications must refer to specific legislation or executive action and must reflect a view on the legislation or executive action. (See 26 CFR 56.4911-2(b).)

"Disallowed Costs" means charges to a State, federal or federal pass-through award determined by the [State](#) awarding agency or [the federal awarding agency](#) ~~pass-through entity~~ to be unallowable, in accordance with the applicable State or federal statutes or regulations, or the terms and conditions of the State, federal or federal pass-through award.

"Discretionary Grant" means an award for which the State or federal agency or pass-through entity may exercise judgment (discretion) in determining the recipient and ~~for~~ the amount of the award and may be issued under a competitive application process.

"Eligible Applicant" means any organization that meets the eligibility requirements listed in the Notice of Funding Opportunity.

"Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the awardee for financial statement purposes or \$5,000.

"Exception" means a statute- or regulation-driven deviation from the grant requirements specified in the UR. The [State](#) awarding agency's requirements may be more restrictive but cannot be less restrictive than the UR. Exceptions are program-specific and authorized on a case-by-case basis in accordance with Section 7000.60.

"Executive" means, with respect to an organization, the officers, managing partners, or any other employees in management positions. "Executive" means, with respect to the federal government, the executive branch.

"Executive Branch" means that branch of State or federal government that is under the jurisdiction of the Governor or the President, respectively.

~~"Exemption" means an exclusion from the UR authorized by UR section 200.101 and affirmed by the statutory or regulatory terms of the federal awarding agency. All grants are subject to Internal Controls, Subrecipient Monitoring and Management, Cost Principles, and Audit Requirements. Exemptions are program specific and authorized on a case by case basis in accordance with Section 7000.60.~~

"Expenditures" means charges made by an awardee to a project or program for which a State, federal or federal pass-through award was received.

The charges may be reported on a cash or accrual basis, as long as the methodology is disclosed and is consistently applied.

For reports prepared on a cash basis, expenditures are the sum of:

Cash disbursements for direct charges for property and services;

The amount of indirect expense charged;

The value of third-party in-kind contributions applied; and

The amount of cash advance payments and payments made to awardees~~subrecipients~~.

For reports prepared on an accrual basis, expenditures are the sum of:

Cash disbursements for direct charges for property and services;

The amount of indirect expense incurred;

The value of third-party in-kind contributions applied; and

The net increase or decrease in the amounts owed by the awardee for:

Goods and other property received;

Services performed by employees, contractors,
subrecipients and other payees; and

Programs for which no current services or performance are
required, such as annuities, insurance claims or other
benefit payments.

"FAIN" means the unique federal award identification number assigned to each
federal award issued to a particular awardee.

"FAR" means the Federal Acquisition Regulation (48 CFR 1).

"F&A Costs" means facilities and administrative costs (see also the definition of
indirect costs).

"Federal Agency" means an "agency" as defined at 5 U.S.C. 551(1) and further
clarified by 5 U.S.C. 552(f). ~~each authority of the government of the United States,
regardless of whether it is within or subject to review by another agency.
"Agency" includes any executive department, military department, government
corporation, government controlled corporation, or other establishment in the
executive branch of the government (including the Executive Office of the
President), or any independent regulatory agency, but does not include the
Congress, U.S. courts, or the governments of the District of Columbia or U.S.
territories and possessions. (See 5 USC 551(1) and 552(f).)~~

"Federal Award" means:

*the federal financial assistance that an awardee receives directly from a
federal awarding agency or indirectly from a pass-through entity;*

*the cost-reimbursement contract under the Federal Acquisition
Regulations that an awardee receives directly from a federal awarding
agency or indirectly from a pass-through entity; or*

*the instrument setting forth the terms and conditions when the instrument
is the Grant Agreement, Cooperative Agreement, other agreement for
assistance, or cost-reimbursement contract awarded under FAR.*

*"Federal Award" does not include other contracts that a federal agency uses
to buy goods or services from a contractor or a contract to operate federal
government owned, contractor-operated facilities. (See also definitions of
financial assistance, Grant Agreement and Cooperative Agreement.)*

"Federal Awarding Agency" means the federal agency that provides a federal award directly to an awardee.

"Federal Award Date" means the date the federal award is signed by the authorized official of the federal awarding agency.

"Federal ~~Excluded Parties~~~~Debarred and Suspended~~ List" or "SAM Exclusions" means the parties listed on the governmentwide exclusions in~~list of those persons and entities who are identified as excluded on~~ the System for Award Management (<https://www.sam.gov>), as described in UR appendix II, paragraph (H)~~(i)~~.

"Federal Financial Assistance" means financial assistance, as defined in this Section, offered to an awardee by a federal agency.

"Federal Fiscal Year" means the period beginning on October 1 and ending on September 30.

"Federal Interest" means, when used in connection with the acquisition or improvement of real property, equipment or supplies under a federal or federal pass-through award, the dollar amount that is the product of the federal share of total project costs and current fair market value of the property, improvements, or both to the extent the costs of acquiring or improving the property were included as project costs.

"Federal Program" means all federal awards that are assigned a single number in the publicly available listing for federal assistance programs managed and administered by the General Services Administration, formerly known as the Catalog of Federal Domestic Assistance (CFDA). When no Assistance Listing ~~CFDA~~-number is assigned, all federal awards made for the same purpose from the same agency to awardees should be combined and considered one program. "Federal program" can also mean a cluster of programs, as defined in this Section.

"Federal Share" means the portion of the total project costs that are paid by federal funds.

"Fee-for-Service" means payments for Medicaid services that are made on the basis of a rate, unit cost or allowable cost incurred and are~~is~~ based on a statement or bill as required by the administering State or federal agency.

"FFATA" means the Federal Funding Accountability and Transparency Act.

"Final Cost Objective" means a cost objective that has allocated to it both direct and indirect costs and, in the awardee's accumulation system, is one of the final accumulation points, such as a particular award, internal project or other direct activity of an awardee.

"Final Rate" means an indirect cost rate applicable to a specified past period that is based on the actual costs of the period. A final rate is not subject to adjustment.

"Financial Assistance" means the following:

For grants and Cooperative Agreements, "Financial Assistance" means assistance that non-federal entities receive or administer in the form of:

grants;

Cooperative Agreements;

non-cash contributions or donations of property, including donated surplus property;

direct appropriations;

food commodities; and

other financial assistance, except assistance non-federal entities receive or administer in the form of loans, loan guarantees, interest subsidies, and insurance. ~~Cooperative Agreements.~~

For purposes of UR subpart F ~~auditing purposes and for purposes of publication in the CFDA~~, "Financial Assistance" also includes federal assistance that non-federal entities receive or administer in the form of loans, loan guarantees, interest subsidies and insurance.

"Financial Assistance" does not include amounts received as reimbursement for services rendered to individuals.

"Fixed Amount Award" means a type of Grant Agreement under which the federal or State awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the award. "Fixed Amount Awards" reduce some of the administrative burden and recordkeeping requirements for both the awardee and the State awarding agency or pass-through entity. Accountability is based primarily on performance and results.

"Fixed Rate" means an indirect cost rate that has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period. (See UR appendix VII, subsection B.)

"Fixed-Rate Grant" means a type of Grant Agreement for non-Medicaid services in which reimbursement is made on the basis of a rate, unit cost or allowable cost incurred and is supported by a bill or statement.

"FOIA" means the Illinois Freedom of Information Act or the federal Freedom of Information Act, as applicable.

"Foreign Organization" means an entity that is:

a public or private organization, located in a country other than the United States and its territories, that is subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance;

a private nongovernmental organization, located in a country other than the United States, that solicits and receives cash contributions from the general public;

a charitable organization, located in a country other than the United States, that is nonprofit and tax exempt under the laws of its country of domicile and operation, but is not a university, college, accredited degree-granting institution of education, private foundation, hospital, organization engaged exclusively in research or scientific activities, church, synagogue, mosque, or other similar entity organized primarily for religious purposes; or

an organization, located in a country other than the United States, not recognized as a foreign public entity.

"Foreign Public Entity" means:

a foreign government or foreign governmental entity;

a public international organization that is entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act;

an entity owned, in whole or in part, or controlled by a foreign government; or

any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

"Formula-Based Grant" means a grant or award that is determined by a formula established in federal or State statute or rule.

"FR" means the Federal Register (<http://www.federalregister.gov>).

"GASB" means the Governmental Accounting Standards Board.

"GATA" means the Grant Accountability and Transparency Act [30 ILCS 708].

"GATA Fund" means the revolving fund administered by GOMB to allocate expenses to State agencies for costs incurred to comply with the UR and GATA and Budgeting for Results (BFR). The GATA Fund allocation to State agencies is based on a proportionate share of GATU expenses incurred, as determined by the CSFA program and award/grant data and the proportionate share of BFR expenses incurred, as determined by the Illinois Performance Reporting System (IPRS). The GATA Fund is established pursuant to Section 55(b) of the Act.

"GATU" means the Grant Accountability and Transparency Unit within the Illinois Governor's Office of Management and Budget.

"General Purpose Equipment" means equipment that is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. (See also the definitions of equipment and special purpose equipment.)

"Generally Accepted Accounting Principles" or "GAAP" means accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.

"Generally Accepted Auditing Standards" or "GAAS" means the accounting standards issued by the Public Company Accounting Oversight Board.

"Generally Accepted Government Auditing Standards" or "GAGAS", also known as the Yellow Book, means generally accepted government auditing standards

issued by the Comptroller General of the United States that are applicable to financial audits.

"GFRA" means the Illinois Grant Funds Recovery Act.

"GOCO" means a State or federal government-owned, contractor-operated facility.

"GOMB" means the Illinois Governor's Office of Management and Budget.

"GMS" means the statewide grant management system which contains the functionality of templates as applicable and per GATU instruction.

~~"Grant" means financial assistance that provides support or stimulation to accomplish a public purpose. "Grant" includes grants and other agreements in the form of money, or property in lieu of money, by State government to an eligible recipient. "Grant" does not include: technical assistance that provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies or insurance; direct payments of any kind to individuals; or contracts that must be entered into and administered under State procurement laws and regulations. In this Part, the term "Grant" is used interchangeably with "Award".~~

~~"Grant Agreement" means a legal instrument of financial assistance between a federal or State awarding agency or~~ a federal awarding agency ~~pass-through entity~~ and an awardee that:

~~is used to enter into a relationship, the principal purpose of which is to transfer anything of value from the State awarding agency or a federal awarding agency~~ pass-through entity ~~to the awardee to carry out a public purpose authorized by law and not to acquire property or services for the State or federal awarding agency's~~ or pass-through entity's ~~direct benefit or use; and~~

~~is distinguished from a Cooperative Agreement in that it does not provide for substantial involvement between the State awarding agency or the federal awarding agency~~ pass-through entity ~~and the awardee in carrying out the activity contemplated by the award.~~

~~"Grant Agreement" does not include an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee or insurance.~~

"Grant Application" means a specified form that is completed by a potential grantee in connection with a request for a specific funding opportunity or a request for financial support of a project or activity.

"Grantee" ~~or "Non-Federal Entity"~~ means a State, local government, institution of higher education, or organization, whether nonprofit or for-profit, that ~~receives~~ ~~carries out a~~ State, federal or federal pass-through financial assistance from a State or federal agency grant/award as a recipient or subrecipient. In this Part, "awardee", "grantee", and "non-federal entity" are used interchangeably.

"Grantee Compliance Enforcement System" or "GCES" means the statewide, uniform framework for State awarding grantmaking agencies to manage occurrences of non-compliance with grant requirements by using the Illinois Stop Payment List. The GCES is available in the Resource Library at www.grants.illinois.gov.

"Grantee Portal" means the internet-based platform used by the State to conduct registration, pre-qualification and fiscal and administrative risk assessments of entities that seek to receive an award from a State awarding grantmaking agency. Awardees ~~use~~ ~~utilize~~ the Grantee Portal to monitor and maintain qualified status. The Grantee Portal is accessed at <https://grants.illinois.gov/portal/>.

~~"Grassroots Lobbying" means a call to action that attempts to influence legislation or executive action by influencing public opinion. To be considered grassroots lobbying, the communication must:~~

~~refer to specific legislation or specific executive action;~~

~~reflect a view on the legislation or executive action; and~~

~~encourage the recipient to take action with respect to that legislation or executive action.~~

"HFS Suspended List" or "Illinois Medicaid Sanctions List" means the list, maintained by the Illinois Department of Healthcare and Family Services, of persons and entities who are debarred, suspended or otherwise excluded from the receipt of federally financed Medicaid. The list may be viewed on the HFS website at <http://www.state.il.us/agency/oig/sanctionlist.asp>.

"Hospital" means a facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

"IHE" means an Institution of Higher Education as defined at 20 ~~U.S.C.~~^{USC} 1001(a).

"Illinois Stop Payment List" ~~or the "Illinois Debarred and Suspended List"~~ means the list maintained by the Governor's Office of Management and Budget that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, to receive grant funds, regardless of source, from a State ~~awarding grantmaking~~ agency. The Illinois Stop Payment List is internally available to authorized State of Illinois personnel. It is a centralized repository for cross-agency information sharing ~~to improve for the purpose of improving~~ the grantee risk assessment process and ~~enhance~~^{enhancing} fiscal management transparency. The Illinois Stop Payment List is a component of the GCES.

~~"ILSAC" means the Illinois Single Audit Commission.~~

"Improper Payment" means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. "Improper payment" includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except when these payments are authorized by federal statute), any payment that does not account for credit for applicable discounts, and any payment in which insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

"In Relation to Opinion" means required auditing standards for ~~Supplementary~~^{Supplemental} Information ~~in Relation to the Accompanying Audited~~ Financial Statements ~~as a Whole~~. Statements on Auditing Standards ~~set~~^{No. 118 sets} forth the auditor's responsibilities when the auditor of financial statements is engaged to perform audit procedures and report on whether the supplemental information accompanying the financial statement is fairly stated, in all material respects, in relation to the financial statements as a whole. ~~For a copy of the Statements of Auditing Standards, see Clarified Statements on Auditing Standards at www.aicpa.org (for a copy of these standards, see https://www.aicpa.org/research/standards/auditattest/clarifiedsas.html).~~

"Indirect (Facilities & Administrative (F&A)) Costs" or "Indirect Facilities and Administrative Costs" means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect

costs. Indirect cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. (See also the definition of F&A costs.)

"Indirect Cost Rate Negotiator" means the vendor contracted with the Governor's Office of Management and Budget to review indirect cost rate proposals and, collaborate with State agency subject matter experts and the Grant Accountability and Transparency Unit to establish awardee indirect cost rates and elections.

"Indirect Cost Rate Proposal" means the documentation prepared by an awardee to substantiate its request for the establishment of an indirect cost rate for the reimbursement of indirect costs. This proposal provides the basis for the review and negotiation leading to the establishment of an organization's indirect cost rate.

"Indirect Cost Rate System" means the internet-based, centralized, statewide framework for awardees to negotiate an indirect cost rate ~~and~~/or make an indirect cost rate election.

"Information Technology Systems" means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.

"Inspector General" means the Office of Executive Inspector General for Agencies of the Illinois Governor.

"Institution of Higher Education" means an educational institution of the State that:

admits as regular students only persons who have a certificate of graduation from a school providing secondary education, or the recognized equivalent;

is legally authorized within the State to provide a program of education beyond secondary education;

provides an education program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree, or awards a degree acceptable for admission to a graduate or professional degree program;

is a public or other nonprofit institution; and

is accredited by a nationally recognized accrediting agency or associate, or is an institution that has been granted pre-accreditation status by such an agency or association. (See 20 [U.S.C.](#) ~~USE~~ 1001.)

"Intangible Property" means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

"Intermediate Cost Objective" means a cost objective that is used to accumulate indirect costs or service center costs that are subsequently allocated to one or more indirect cost pools or final cost objectives. (Also see the definitions of cost objective and final cost objective.)

"Internal Controls [for Non-Federal Entities](#)" means a process, implemented by an awardee, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

Effectiveness and efficiency of operations;

Reliability of reporting for internal and external use; and

Compliance with [applicable laws and regulations](#). ~~UR sections 200.62 and 200.303 and the Illinois Fiscal Control and Internal Auditing Act.~~

~~"Internal Control Over Compliance Requirements for State, Federal or Federal Pass Through Awards" means a process implemented by an awardee designed to provide reasonable assurance regarding the achievement of the following objectives for State, federal or federal pass-through awards:~~

~~Transactions are properly recorded and accounted for, in order to:~~

~~Permit the preparation of reliable financial statements and State, federal and federal pass-through reports;~~

~~Maintain accountability over assets; and~~

~~Demonstrate compliance with State and federal statutes, regulations, and the terms and conditions of the award;~~

~~Transactions are executed in compliance with:~~

~~State and federal statutes, regulations, and terms and conditions of the award/grant that could have a direct and material effect on a federal or federal pass-through program;~~

~~Any other State or federal statutes and regulations that are identified in the Compliance Supplement; and~~

~~Funds, property and other assets are safeguarded against loss from unauthorized use or disposition.~~

"Internal Control Questionnaire" or "ICQ" means the financial and administrative risk assessment tool centrally used to assess an organization's fiscal and administrative risk profile. The automated ICQ is available through the Grantee Portal.

"IRC" means the Internal Revenue Code.

"Legislation" means action by ~~the~~ Congress, any state legislature, any local council, or similar legislative body, or by the public in a referendum, ballot initiative, constitutional amendment, or similar procedure. "Legislation" includes a proposed treaty required to be submitted by the President to the U.S. Senate for its advice and consent from the time the President's representative begins to negotiate its position with the prospective parties to the proposed treaty. (See 26 CFR 56.4911-2(d)(1)(i).)

"Lobbying" means communication that is intended to influence legislation or executive action. (See the definitions of legislation, specific legislation, direct lobbying and grassroots lobbying and 26 CFR 56.4911-2.)

"Local Government" means any entity defined as a unit of local government by Article VII, Section 1 of the Illinois Constitution and includes school districts.

"Maintenance of Effort" means a requirement contained in a program's authorizing legislation or program regulations stating that, ~~in order~~ to receive federal grant funds, a recipient must agree to maintain a specified level of financial effort for the grant from its own resources and other non-federal sources.

"Major Program" means a State or federal program determined by the auditor to be a major program in accordance with UR section 200.518 or a program identified as a major program by a State ~~or federal~~ awarding agency ~~or pass-through entity~~ in accordance with UR section 200.503(e).

"Management Decision" means the evaluation by the State ~~or federal~~-awarding agency or the federal awarding agency~~pass-through entity~~ of the audit findings and corrective action plan and the issuance of a written decision to the auditee as to what corrective action is necessary.

"Mandatory Formula-Based Grant" or "Mandatory Grant" means noncompetitive grant funding that is allocated to recipients based upon a set of pre-existing criteria, such as population ~~and~~/or other census criteria; all applicants who meet the minimum requirements of the application process are entitled to receive money.

"Matching" means third-party in-kind contributions and the portion of project costs not paid by federal funds, unless otherwise authorized by statute. (See the definition of cost sharing.)

"Merit-~~Based~~ Review Policy" means the federally required application review process mandated for all discretionary~~competitive~~ State and federal pass-through awards (UR section 200.205~~204~~).

"Micro-Purchase" means a purchase of supplies or services using simplified acquisition procedures (see Section 7000.30), the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of an awardee's small purchase procedures. The awardee uses these procedures ~~in order~~ to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold for federally-funded grants is set under FAR in 48 CFR 2 subpart 2.1. It is \$10,000~~\$3,000~~ except as otherwise discussed in subpart 2.1, but this threshold is periodically adjusted for inflation. The Illinois small purchase threshold is set by the appropriate Chief Procurement Officer (CPO) under Section 20-20(c) of the Illinois Procurement Code and published in this Title 44 by each CPO. Micro-purchase rules apply~~are applicable~~ to local government and non-profit awardees. State agencies are subject to the Illinois Procurement Code.

"Modified Total Direct Cost" or "MTDC" means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward ~~in that exceeds~~excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

"Negotiated Rate" means the indirect (F&A) cost rate negotiated with and accepted by the federal or State awarding agency. Under the rate agreement, negotiated rates include final, fixed and predetermined rates and exclude provisional rates.

"NDFI" means the Non-Discretionary Funding Information generated from the CSFA.

~~"NOFO" means the Notice of Funding Opportunity generated from the CSFA.~~

"No-Cost Extension" means an extension of an active award that does not increase the total amount of the award.

"Non-Federal Entity" means a state, local government, institution of higher education, or organization, whether nonprofit or for-profit, that ~~receives~~^{carries out} a State, federal or federal pass-through financial assistance from a State or federal agency ~~award as a recipient or subrecipient~~. In this Part, the term "awardee", "grantee", and "non-federal entity" are used interchangeably. ~~(See also the definition of awardee.)~~

"Nonprofit Organization" means any corporation, trust, association, cooperative or other organization, not including institutions of higher education, that:

is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest;

is not organized primarily for profit; and

uses net proceeds to maintain, improve or expand the operations of the organization.

"NOSA" means the Notice of State-Issued Award issued by a State awarding ~~grantmaking~~ agency. The NOSA may be contained in one or more system-generated notifications through the statewide grant management system.

"Notice of Funding Opportunity" or "NOFO" means an agency's formally issued announcement of the availability of State, federal or federal pass-through funding through one of its financial assistance programs. The announcement provides eligibility and evaluation criteria, funding preferences/priorities, the submission deadline, and information on how to obtain an application for the funding opportunity.

"Obligations", when used in connection with an awardee's utilization of funds under an award, means:

orders placed for property and services;

contracts and subawards; and

similar transactions, during a given period that require payment by the awardee during the same or future period.

"Office of Management and Budget" or "OMB" means the federal Office of Management and Budget of the Executive Office of the President.

"Oversight Agency for Audit", for federally-funded awards, means the federal awarding agency that provides the predominant amount of funding directly to an awardee not assigned a cognizant agency for audit. When there is no direct funding, the awarding agency that is the predominant source of pass-through funding must assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in UR section 200.513(b). For State-~~issued~~~~funded~~ awards, "oversight agency for audit" is the State Cognizant Agency.

"Participant Support Costs" means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

"Pass-Through Entity" means a non-federal entity that provides a subaward to a subrecipient to carry out part of a program.

"Performance Goal" means a target level of performance expressed as a tangible, measurable objective or as a qualitative standard, value or rate. A performance goal includes a performance indicator, a target, and a time period, and must be expressed in an objective, quantifiable or measurable form when possible. When necessary, a ~~State awarding grantmaking~~ agency and an awardee shall use an alternative performance goal (such as a set of milestones) described in a way that makes it possible to discern whether progress is being made toward that goal.

"Period of Performance" means the total estimated time interval between the start of an Initial State or federal pass-through award and the planned end date, which may include one or more funded portions or budget periods. Identification of the Period of Performance in the award per UR 200.332 for federal pass-through awards and Section 7000.370 of this Part does not commit the State awarding

~~agency to fund the award beyond the currently approved budget period, time during which the awardee may incur new obligations to carry out the work authorized under the State, federal or federal pass-through award. The State grantmaking agency, federal awarding agency or federal pass-through entity must include start and end dates of the period of performance in the award (see, as applicable, Section 7000.370(a)(1) of this Part, UR section 200.210(a)(5), and UR section 200.331(a)(1)(D)).~~

"Personal Property" means property other than real property. It may be tangible, having physical existence, or intangible.

"Personally Identifiable Information" or "PII" means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public websites, and university listings. This type of information is considered to be public PII and includes, for example, first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source that, when combined with other available information, could be used to identify an individual.

"Predetermined Rate" means an indirect cost rate, applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.

"Prior Approval" or "Prior Written Approval" means an authorization by one party, provided in writing to another party, to proceed in a specified manner.

"Private Award" means an award from a person or entity other than a State or federal entity or federal pass-through entity. Private awards are not subject to GATA.

"Program Income" means gross income received by the awardee directly generated by a supported activity, or earned only as a result of the federal award during the period of performance, except as provided in UR section 200.307(f) or Section 7000.120(c)(4) of this Part, as applicable (also see the definition of period of performance). "Program income" includes, but is not limited to, income from:

fees for services performed;

the use or rental of real or personal property acquired under State, federal or federal pass-through entity awards;

the sale of commodities or items fabricated under a State, federal or federal pass-through entity award;

license fees and royalties on patents and copyrights; and

principal and interest on loans made with State, federal or federal pass-through entity award funds.

Interest earned on advances of State, federal or federal pass-through entity award funds is not program income. Except as otherwise provided in State or federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts or interest earned on any rebates, credits or discounts.

"Project Cost" means total allowable costs incurred under an award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

"Property" means real property or personal property.

"Protected Personally Identifiable Information" or "Protected PII" means an individual's first name or first initial and last name in combination with any one or more types of information, including, but not limited to, the following:

social security number;

passport number;

credit card numbers;

security clearances;

bank numbers;

biometrics;

date and place of birth;

mother's maiden name;

criminal, medical and financial records; and

educational transcripts.

"Protected PII" does not include PII that is required by law to be disclosed.
(See also the definition of Personally Identifiable Information.)

"Provisional Rate" means a temporary indirect cost rate applicable to a specified period that is used for funding, interim reimbursement, and reporting indirect costs on State, federal or federal pass-through entity awards pending the establishment of a final rate for the period.

"Public Institutions of Higher Education" means *the University of Illinois*; *Southern Illinois University*; *Chicago State University*; *Eastern Illinois University*; *Governors State University*; *Illinois State University*; *Northeastern Illinois University*; *Northern Illinois University*; *Western Illinois University*; ~~and~~ *the public community colleges of the State and any other public universities, colleges and community colleges now or hereafter established or authorized by the General Assembly. [110 ILCS 205/1]* ~~(Section 1 of the Board of Higher Education Act).~~

"Questioned Cost" means a cost that is questioned by the auditor because of an audit finding:

That resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a State or federal award, including for funds used to match State or federal funds;

When the costs, at the time of the audit, are not supported by adequate documentation; or

When the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

"Real Property" means land, including land improvements, structures and appurtenances on the land ~~thereto~~, but excludes moveable machinery and equipment.

"Recipient" means an entity that receives a State or federal award *directly from a State or federal agency to carry out an activity under an award program.*

"Recipient" does not include subrecipients. (See the definition of non-federal entity.)

"Research and Development " or "R&D" means all research activities, both basic and applied, and all development activities that are performed by awardees. The term "research" also includes activities involving the training of individuals in research techniques when these activities ~~use~~utilize the same facilities as other research and development activities and when these activities are not included in the instruction function. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes.

"SAM" means the federal System for Award Management (<https://www.sam.gov>). Illinois ~~uses~~utilizes SAM.gov as the federal ~~clearinghouse~~clearing-house for qualification verification of potential awardees.

"SAIN" means the unique State-~~issued~~issued award identification number assigned to each State-~~issued~~issued award. The SAIN is system-generated through the CSFA.

"Simplified Acquisition Threshold" means the dollar amount below which an awardee may purchase property or services using small purchase methods. Awardees adopt small purchase procedures to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by 48 CFR subpart 2.1 (Definitions) and adjusted for inflation in accordance with 41 ~~U.S.C.~~USC 1908. The current simplified acquisition threshold for federal and federal pass-through entity awardees is ~~at or below~~\$250,000~~\$150,000~~. The simplified acquisition threshold ~~applies~~is applicable to local government and non-profit awardees receiving direct federal funding or federal pass-through funding. State agencies and awardees receiving State funding are subject to the Illinois Procurement Code. (See the definition of micro-purchase.)

"Single Audit Act" means the federal Single Audit Act Amendments of 1996.

"Special-Purpose Equipment" means equipment that is used only for research, medical, scientific or other technical activities. Examples of ~~special-~~special-~~purpose~~purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.

"Specific Legislation" means both legislation that has already been introduced in a legislative body and a specific legislative proposal that an organization either

supports or opposes. In the case of a referendum, ballot initiative, constitutional amendment, or other measure that is placed on the ballot by petitions signed by a required number or percentage of voters, an item becomes "Specific Legislation" when the petition is first circulated among voters for signature.

"State Agency" means an Illinois agency under the Governor~~executive branch agency~~ that is authorized to issue awards of State funds or awards of federal funds as a pass-through entity. Illinois agencies not under the Governor and not statutorily required to follow GATA but choose to do so are also considered State agencies for purposes of this Part. For purposes of GATA, "State Agency" does not include public institutions of higher education.

"State Awarding Agency" means a State agency that provides an award to a non-federal entity. "State awarding agency" has the same meaning as "State grantmaking agency".

"State Cognizant Agency" or "SCA" means the State awarding~~grantmaking~~ agency designated to carry out the responsibilities described in UR sections 200.513 (Responsibilities), 200.205 (State awarding agency review of risk posed by applicants), 200.207 (specific conditions for the fiscal and administrative risk assessment) and 200.213 (suspension and debarment), and appendices III through VII and IX to part 200, and GATA Section 25(6) (recipient/subrecipient prequalification requirements). The State of Illinois uses these State cognizant agencies as the State cognizant agencies for audit, indirect cost, prequalification and fiscal and administrative risk assessment. Grantees are informed of their SCA through the Grantee Portal. SCA assignments are also documented for State agency personnel on the GATA implementation website.

"State Fiscal Year" means the period beginning on July 1 and ending on June 30.

"State-Issued Award~~Grant~~" means:

the State financial assistance that an awardee receives directly from a State awarding~~grantmaking~~ agency ~~or indirectly from a pass-through entity~~; or

the instrument setting forth the terms and conditions when the instrument is the Grant Agreement, Cooperative Agreement or other agreement for assistance.

The funding source of the State-issued award can be federal, federal pass-through, State, or a combination of those sources.

"State-Issued Award~~Grant~~" does not include the following:

contracts issued pursuant to the Illinois Procurement Code that a State agency uses to buy goods or services from a contractor or a contract to operate State government-owned, contractor-operated facilities;

agreements that meet the definition of "contract" under 2 CFR 200.1 and 2 CFR 200.331, which a State agency uses to procure goods or services but are exempt from the Illinois Procurement Code due to an exemption listed under 30 ILCS 500/1-10, or pursuant to a disaster proclamation, executive order, or any other exemption permitted by law;

amounts received for services rendered to an individual;

Cooperative Research and Development Agreements;

an agreement that provides only direct cash assistance to an individual;

a subsidy;

a loan;

a loan guarantee; or

insurance.

(See also definitions of financial assistance, Grant Agreement, and Cooperative Agreement.)

~~"State Grantmaking Agency" means a State agency that provides a State funded grant/award or a federal pass-through award to an awardee. "State Grantmaking Agency" has the same meaning as "State Awarding Agency".~~

"State Interest" means the acquisition or improvement of real property, equipment or supplies under a State-issued award, the dollar amount that is the product of the State share of the total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

"State Program" means all State-issued awards that are assigned a single number in the CSFA or a cluster of programs.

"State Share" means the portion of the total project costs that are paid by State funds.

"State Staff Inquiry Screen" means the intranet-based, centralized system used internally by the State of Illinois to manage pre- and post-award requirements of awardees.

"Stop Payment Status" means the ~~temporary or permanent~~ status of a grantee that is ineligible, either temporarily or permanently, to receive grant funds from the State due to non-compliance with ~~determined to be non-compliant with~~ grant ~~compliance~~ requirements. (See also as stated in the GCES). ~~The severity of the non-compliance issue dictates the enforcement action required by the State agency.~~

"Strategic Objective" means a goal that is usually outcome-oriented to reflect core mission and service-related functions. Stewardship and related objectives may be established to communicate the breadth of agency efforts. Strategic objectives may be described in strategic plans and on performance.gov as: ~~reflects the outcome or management impact a grantmaking agency is trying to achieve and generally includes the agency's role. Each objective is tracked through a suite of performance goals and other indicators. Strategic objectives and performance goals should facilitate prioritization and assessment for planning, management, reporting and evaluation purposes. Agencies should use strategic objectives to help decide which indicators are most valuable to provide leading and lagging information, monitor agency operations, show how employees contribute to the organization's mission, determine needed program evaluation, communicate agency progress, and consider the impact of external factors on the agency's progress. The set of all agency strategic objectives should be comprehensive of all agency activity. Objectives are usually outcome oriented; however, management and other objectives may be established to communicate the breadth of agency efforts. Federal OMB Circular A-11 (see <https://www.whitehouse.gov/wp-content/uploads/2018/06/all.pdf>) divides strategic objectives into 3 categories:~~

Mission/Service-Focused. A type of strategic objective that expresses more specifically the path an agency plans to follow to achieve or make progress on a single strategic goal. Mission-focused strategic objectives typically reflect the core functions and activities of the agency based on statutory or leadership priorities that drive their efforts in addressing pressing relevant national problems, needs, and challenges. For programs that deliver direct services to customers, this may also include the objective of providing a good experience for customers, and is therefore service-focused. Service-focused objectives are activities that reflect the interactions between individual citizens or businesses and State or federal

agencies in providing direct services on behalf of the State or federal government and which is core to the mission of the agency.

Mission/~~Service~~-Focused (Crosscutting/Other). A type of strategic objective that is not directly tied to a single strategic goal, but may be tied to several or none. In some circumstances, agencies perform statutory or crosscutting activities that are not closely tied to a single strategic goal.

Stewardship-~~Management~~-Focused. A type of strategic objective that reflects the agency's activities and responsibilities to provide appropriate safeguards in executing mission- and service-related activities effectively and efficiently, including minimizing instances of waste, fraud, and abuse. These objectives typically communicate~~communicates~~ improvement priorities for management functions such as strategic human capital management, information technology, or financial stewardship. Often management objectives support more than one strategic goal.

"Student Financial Aid" or "SFA" means federal awards under those programs of general student assistance, such as those authorized by Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), as amended, that are administered by the United States Department of Education and similar programs provided by other federal agencies. "Student Financial Aid" does not include federal awards under programs that provide fellowships or similar federal awards to students on a competitive basis or for specified studies or research. Individual direct recipients are not subject to the controls required by this Part.

"Subgrant" means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of an award received by the pass-through entity. Terms of the Grant Agreement may specify that the primary grantee will ~~use~~utilize another party through a subgrant to carry out part of the State-~~issued~~award ~~grant~~ received by the grantee. "Subgrant" does not include payments to a contractor or payments to an individual who is a beneficiary of a State or federal program. A "subgrant" may be provided through any form of legal agreement, including an agreement that the grantee considers a contract.

"Subrecipient" means a non-federal entity that receives an award from a pass-through entity to carry out part of a federal or State program. A subrecipient is also known as a first-tier subrecipient or awardee. There can be additional tiers of subrecipients based on pass-through levels. "Subrecipient" does not include an individual who is a beneficiary of the program. A subrecipient may also be a recipient of other State or federal awards directly from a State or federal awarding agency.

"Supplies" means all tangible personal property other than those described in the definition of equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the awardee for financial statement purposes or \$5,000, regardless of the length of its useful life. ~~(See the definitions of computing devices and equipment.)~~

"Suspension" means a post-award action by the State or federal agency or pass-through entity that temporarily withdraws the State or federal agency's or pass-through entity's financial assistance sponsorship under an award, pending corrective action by the awardee or subrecipient or pending a decision to terminate the award.

"Termination" means the ending of a federal or federal pass-through entity award or State-~~issued award~~-~~grant~~, in whole or in part, at any time ~~before~~~~prior to~~ the planned end of the period of performance.

"Third-Party In-Kind Contributions" means the value of non-cash contributions (i.e., property or services) that benefit a State- or federally-assisted project or program and are contributed by non-federal third parties, without charge, to an awardee under a State or federal award.

"Total Compensation" means the cash and noncash dollar value earned by the executive during the grantee's or subrecipient's preceding fiscal year and includes the following: salary and bonus; awards of stock, stock options and stock appreciation rights; earnings for services under non-equity incentive plans; and change in pension value.

"Treasury-State Cash Management Improvement Act Agreement" means the Treasury-State Agreement (TSA) the State must enter into with the U.S. Department of the Treasury's Bureau of Fiscal Service to set forth terms and conditions for implementing CMIA.

"Unallowable Cost" means a cost specified by law or regulation, federal cost principles, or the terms and conditions of an award that may not be reimbursed under a Grant or Cooperative Agreement.

"Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards" or "Uniform Requirements" or "UR" means those rules applicable to grants contained in 2 CFR 200.

"Unique Entity Identifier" or "UEI" means the unique identifier assigned to the Grantee or to subrecipients by SAM.gov.

"Unliquidated Obligations" means, for financial reports prepared on a cash basis, obligations incurred by the awardee that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are obligations incurred by the awardee for which an expenditure has not been recorded.

"Unobligated Balance" means the amount of funds under a State or federal award that the awardee has not obligated. The amount is computed by subtracting the cumulative amount of the awardee's unliquidated obligations and expenditures of funds under the State-~~issued grant or federal~~ award from the cumulative amount of the funds that the State ~~or federal~~ awarding agency ~~or pass-through entity~~ authorized the awardee to obligate.

"U.S.C.~~USE~~" means the United States Code.

"Voluntary Committed Cost Sharing" means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the award on the part of the awardee and that becomes a binding requirement of the award. [30 ILCS 708/15]

"Working Capital Advance" means an advance cash payment from the State ~~awarding grantmaking~~ agency ~~or pass-through entity~~ to the awardee to cover estimated disbursement needs for an initial period, generally geared to the awardee's disbursing cycle. This includes initial start-up cost and normal monthly grant expense, not to exceed two months of monthly grant expenses.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.40 Incorporations and Referenced Materials

a) References to Federal Statutes

- 1) Cash Management Improvement Act of 1990 (31 U.S.C. 6501~~USE 4~~)
- 2) Federal Funding Accountability and Transparency Act of 2006 (FFATA) (31 U.S.C.~~USE~~ 6101 note)
- 3) Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C.~~USE~~ 6301)
- 4) Freedom of Information Act (FOIA) (5 U.S.C.~~USE~~ 552)
- 5) Higher Education Act of 1965, Title IV (20 U.S.C.~~USE~~ 1070 through 1099d)

- 1711 6) ~~Improper Payments Elimination and Recovery Act of 2012 (31 USC 3321~~
 1712 ~~note)~~
 1713
 1714 67) International Organizations ~~Immunities~~Immunity Act (22 ~~U.S.C.~~USC 288)
 1715
 1716 78) Internal Revenue Code (26 ~~U.S.C.~~USC)
 1717
 1718 89) ~~Simplified Acquisition Procedures~~—Inflation adjustment of acquisition-
 1719 related dollar thresholds (41 ~~U.S.C.~~USC 1908) (~~Simplified Acquisition~~
 1720 ~~Procedures~~)
 1721
 1722 910) Single Audit Act of 1984, as amended by the Single Audit Act
 1723 Amendments of 1996 (31 ~~U.S.C.~~USC 7501)
 1724
 1725 b) References to Illinois Statutes
 1726
 1727 1) Grant Accountability and Transparency Act [30 ILCS 708] (Act or
 1728 GATA)
 1729
 1730 2) Fiscal Control and Internal Auditing Act [30 ILCS 10]
 1731
 1732 3) Freedom of Information Act (FOIA) [5 ILCS 140]
 1733
 1734 4) Illinois Grant Funds Recovery Act (GFRA) [30 ILCS 705]; ~~Section 15.1~~
 1735 ~~creates the Illinois Single Audit Commission~~
 1736
 1737 5) Illinois State Auditing Act [30 ILCS 5]
 1738
 1739 6) Board of Higher Education Act [110 ILCS 205]
 1740
 1741 7) Illinois Procurement Code [30 ILCS 500]
 1742
 1743 8) State Property Control Act [30 ILCS 605]
 1744
 1745 9) Illinois State Collection Act of 1986 [30 ILCS 210]
 1746
 1747 10) Civil Administrative Code of Illinois (State Budget Law) [15 ILCS 20];
 1748 Section 50-25 creates Budgeting for Results
 1749
 1750 11) Rights of Crime Victims and Witnesses Act [725 ILCS 120]
 1751
 1752 12) Department of Human Services Act [20 ILCS 1305]
 1753

13) Grant Information Collection Act [30 ILCS 707]

14) Intergovernmental Cooperation Act [5+ ILCS 220]

c) Incorporations by Reference

1) Federal Regulations

A) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200 (November 12, 2020~~December 26, 2014~~)):

i) 2 CFR 200 Subpart B – General Provisions except for:

- With respect to section 200.~~204~~~~203~~(6)(b), the timeframe shall be 30 calendar days. If the State awarding grantmaking agency determines extenuating circumstances ~~require~~necessitate a shorter NOFO posting period, prior permission must be obtained from GATU through a written notification;
- With respect to section 200.205~~204~~, an appeal must be described and incorporated with the merit~~merit-based~~ review process;
- Under section 200.206~~205~~, a risk-based~~risk-based~~ approach as described in subsection (c) shall be used; and
- Section 200.211~~210~~ contains State-related~~State related~~ references.

ii) 2 CFR 200 Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards

iii) 2 CFR 200 Subpart D – Post-Federal Award Requirements except for:

- In section 200.308(e), add that regardless of the size of the award, if not otherwise restricted by federal or State requirements, line-item transfers are capped at \$50,000 and limited to 10% of the total award.

Line-item transfers larger than this require a budget revision and approval from the State awarding agency. ~~the State grantmaking agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for State and federal pass-through awards in which the State share of the project exceeds the Simplified Acquisition Threshold and the cumulative amount of those transfers exceeds or is expected to exceed 10% per detail line item or \$1,000, whichever is greater, of the total budget as last approved by the State grantmaking agency. The State grantmaking agency cannot permit a transfer that would cause any State appropriation to be used for purposes other than those consistent with the appropriation.~~

- In section 200.~~337~~336, add that any entity of the State, including but not limited to the State ~~grantmaking~~ awarding agency, the Auditor General, the Attorney General, any Executive Inspector General, and the Inspector General of the State ~~grantmaking~~ awarding agency, as applicable, or any of the authorized representatives, must have the right of access to any documents, papers or other records of the awardee that are pertinent to the State-issued award ~~in order~~ to make audits, examinations, excerpts and transcripts. This right also includes timely and reasonable access to the awardee's personnel for the purpose of interview and discussion related to these documents.

iv) 2 CFR 200 Subpart E – Cost Principles

v) 2 CFR 200 Subpart F – Audit Requirements

vi) 2 CFR 200 Appendix I – Full Text of Notice of Funding Opportunity

vii) 2 CFR 200 Appendix II – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

- 1838 viii) 2 CFR 200 Appendix III – Indirect (F&A) Costs
 1839 Identification and Assignment, and Rate Determination for
 1840 Institutions of Higher Education (IHEs)
 1841
 1842 ix) 2 CFR 200 Appendix IV – Indirect (F&A) Costs
 1843 Identification and Assignment, and Rate Determination for
 1844 Nonprofit Organizations
 1845
 1846 x) 2 CFR 200 Appendix V – State/Local Government and
 1847 Indian Tribe-Wide Central Service Cost Allocation Plans
 1848
 1849 xi) 2 CFR 200 Appendix VI – Public Assistance Cost
 1850 Allocation Plans
 1851
 1852 xii) 2 CFR 200 Appendix VII – States and Local Government
 1853 and Indian Tribe Indirect Cost Proposals
 1854
 1855 xiii) 2 CFR 200 Appendix VIII – Nonprofit Organizations
 1856 Exempted from Subpart E – Cost Principles
 1857
 1858 xiv) 2 CFR 200 Appendix IX – Hospital Cost Principles
 1859
 1860 xv) 2 CFR 200 Appendix X – Data Collection Form (Form SF-
 1861 SAC)
 1862
 1863 xvi) 2 CFR 200 Appendix XI – Compliance Supplement
 1864
 1865 xvii) 2 CFR 200 Appendix XII – Award Term and Condition for
 1866 Recipient Integrity and Performance Matters
 1867
 1868 B) Cost Accounting Standards (48 CFR 9904 (~~2022~~2014))
 1869
 1870 C) Federal Acquisition Regulations System (FAR) (48 CFR 1
 1871 (~~2022~~2014))
 1872
 1873 D) Rights to Inventions Made by Nonprofit Organizations and Small
 1874 Business Firms Under Government Awards, Contracts and
 1875 Cooperative Agreements (37 CFR 401 (~~2022~~2013))
 1876
 1877 E) Rules and Procedures for Efficient Federal-State Funds Transfers
 1878 (31 CFR 205)(~~2022~~)
 1879

- 2) "Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs", Office of Management and Budget, Memorandum M-01-06 (2001), [available at https://www.whitehouse.gov/wp-content/uploads/2017/11/2001-M-01-06-Clarification-of-OMB-A-21-Treatment-of-Voluntary-Uncommitted-Cost-Sharing-and-Tuition-Remission-Costs.pdf](https://www.whitehouse.gov/wp-content/uploads/2017/11/2001-M-01-06-Clarification-of-OMB-A-21-Treatment-of-Voluntary-Uncommitted-Cost-Sharing-and-Tuition-Remission-Costs.pdf)
 - 3) Government Auditing Standards (also known as "GAGAS" or the "Yellow Book"), U.S. Government Accountability Office by the Comptroller General of the United States (~~2021~~2014 Revision) (<http://www.gao.gov/yellowbook>)
 - 4) "Internal Control Integrated Framework" (2013), Committee of Sponsoring Organizations of the Treadway Commission (COSO), available at <https://www.coso.org/sitepages/internal-control.aspx?web=1> ~~Pages/ie.aspx~~
 - 5) "Policies for Federal Credit Programs and Non-Tax Receivables", Office of Management and Budget, Circular A-129 (2013), available at <https://fiscal.treasury.gov/files/dms/circ-a129-upd-0113.pdf> ~~https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A129/a-129.pdf~~
 - 6) "Preparation, Submission, and Execution of the Budget", Office of Management and Budget, Circular A-11 (~~2022~~2015), available at <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>
 - 7) "Standards for Internal Control in the Federal Government" (2014) (also known as the "Green Book"), Comptroller General of the United States, available at <http://www.gao.gov/products/GAO-14-704G>
- d) No later editions of the regulations and standards listed in subsection (c) are incorporated in this Part.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.50 Catalog of State Financial Assistance (CSFA)

- a) *The Catalog of State Financial Assistance is available at www.grants.illinois.gov ~~https://www.illinois.gov/sites/GATA/Grants/SitePages/CSFA.aspx~~. The CSFA contains, at a minimum, the following information:*

- 1922 1) *An introductory section that explains how to use the Catalog, suggested*
1923 *grant proposal writing methods, and grant application procedures;*
1924
- 1925 2) *A comprehensive indexing system that categorizes programs by issuing*
1926 *agency, eligible applicant, application deadlines, function, popular name*
1927 *and subject area;*
1928
- 1929 3) *Comprehensive appendices showing State assistance programs that*
1930 *require coordination through GATA and regulatory, legislative and*
1931 *Executive Order authority for each program, commonly used*
1932 *abbreviations and acronyms, agency regional and local office addresses,*
1933 *and sources of additional information;*
1934
- 1935 4) *A list of programs that have been added to or deleted from the CSFA and*
1936 *the various program numbers and title changes;*
1937
- 1938 5) *Program number, title and popular name, if applicable;*
1939
- 1940 6) *The name of the State agency or independent agency and primary*
1941 *organization sub-unit administering the program;*
1942
- 1943 7) *The enabling legislation, including popular name of the Act, titles and*
1944 *Sections, Public Act number, and citation to the Illinois Compiled*
1945 *Statutes;*
1946
- 1947 8) *The type or types of financial and nonfinancial assistance offered by the*
1948 *program;*
1949
- 1950 9) *Uses and restrictions placed upon the program;*
1951
- 1952 10) *Eligibility requirements, including applicant eligibility criteria,*
1953 *beneficiary eligibility criteria, and required credentials and*
1954 *documentation;*
1955
- 1956 11) *Objectives and goals of the program;*
1957
- 1958 12) *Information regarding application and grant processing; application*
1959 *deadlines; range of approval or disapproval time; appeal procedures; and*
1960 *availability of a renewal or extension of assistance;*
1961
- 1962 13) *Assistance considerations, including an explanation of the grant formula,*
1963 *matching requirements, and the length and time phasing of the assistance;*
1964

- 14) *Post-assistance requirements, including any reports, audits, and records that may be required;*
- 15) *Program accomplishments (if available) describing quantitative measures of program performance;*
- 16) *Regulations, guidelines, and literature containing citations to the Illinois Administrative Code, the Code of Federal Regulations, and other pertinent informational materials; and*
- 17) *The names, telephone numbers, and e-mail addresses of persons to be contacted for detailed program information at the headquarters, regional, and local levels. [30 ILCS 708/30]*
- b) The Notice of Funding Opportunity (NOFO) shall be generated in the statewide Grant Management System using the data from the CSFA.
- c) All State-~~issued awards~~grants, regardless of the funding source, shall be posted in through the CSFA. State awarding agencies are responsible for complete and accurate postings to the CSFA ~~by the State grantmaking agency.~~

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.60 Program-~~Specific~~specific Exceptions ~~and Exemptions~~ to UR and GATA

- a) The Uniform Guidance exception rule is stated ~~in at~~ UR section 200.102. GATA modeled its exception process after the federal process. If the federal OMB and federal awarding agency has granted an exception, GATU will accept that exception.
- b) UR section 200.101 cites types of awards with exceptions to UR. All cited exceptions shall apply to federal and federal pass-through awards. If the State of Illinois funds an equivalent program, the State-issued award will be subject to the same exceptions as the federal award it mirrors.
- c) When a grant program is listed as having limited UR applicability in ~~as exempt under~~ UR section 200.101, the State agency must review the grant-specific requirements to determine if there are additional, grant-specific rules modeled after UR.
- d) Per UR, exceptions shall not be given for UR subpart D (Subrecipient Monitoring and Management) ~~section 200.330 through 200.332~~ or subpart F ~~—~~(Audit

Requirements). All grants are subject to post-award requirements, awardee and subrecipient monitoring and management, and audit requirements.

- e) State agencies shall complete and submit a "GATA Request for Exception Form" that must ~~be include the statutory federal or State reference authorizing the exception. All exceptions must be based on statutory authority in accordance with cited Illinois or federal law.~~
- f) GATU shall review all Requests for Exceptions and consult with the GOMB General Counsel as necessary for final determination on the exception request.
- g) All exceptions shall be requested in writing from the State agency and authorized in writing by GATU in the official Notice of Exception.
- h) All ~~federal, federal pass-through and State-issued~~ funded programs in the State of Illinois will be assumed to be subject to UR and GATA unless GATU has distributed a written Notice of Exception to the requesting State agency.
- i) Based on the Notice of Exception, State agencies ~~must are required to~~ record the exceptions in the CSFA within 30 days after the exception is allowed. The exception must also be included in; the NOSA (if applicable) and the Uniform Grant Agreement.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.70 Grantee Qualification Status

- a) ~~Before~~Prior to making an award, the State ~~awarding grantmaking~~ agency ~~or pass-through entity~~ is required by 31 ~~U.S.C. USC~~ 3321, 41 ~~U.S.C. USC~~ 2313 and Section 25(4)(C) of the Act to review information available through any GOMB-~~and/or~~ OMB-designated repositories of government-wide eligibility qualification or financial integrity information, such as:
 - 1) Federal Awardee Performance and Integrity Information System (FAPIIS);
 - ~~2) Dun and Bradstreet;~~
 - 23) SAM.gov, including the Federal Excluded Parties List~~Suspension and Debarment requirements (2 CFR 180); and~~
 - 34) Grantee Portal~~GATA requirements (Section 25(6)(G), (H) and (I) of the Act).~~

- b) Illinois grantee registration is centralized and automated through [the Grantee Portal GATU](#) from <https://grants.illinois.gov/portal/> ~~https://www.grants.illinois.gov/portal.~~
- c) An individual representing an organization must ~~use~~[utilize](#) the [State of Illinois](#) ~~Illinois.gov~~ Public Authentication Portal as a ~~cybersecurity~~[cyber-security](#) check and to formally associate the individual with the organization [represented by the individual](#) ~~he or she represents~~. Authentication is initiated from the Grantee Portal [link above under subsection \(b\)](#) ~~(www.grants.illinois.gov/portal).~~
- d) An entity must provide the following information annually to be registered with the State of Illinois as [an](#) ~~a-grantee~~/awardee:
- 1) Organization name and contact information;
 - 2) Federal Employee Identification Number (FEIN);
 - 3) Data Universal Numbering System (DUNS) number [or Unique Entity Identifier \(UEI\), as applicable](#); and
 - 4) Organization type.
- e) Illinois prequalification is centralized and includes an automated verification through [www.SAM.gov](#) and the GATA implementation website based on information provided during registration.
- f) Based on the information provided, the entity is "qualified" to be an awardee if it:
- 1) has an active DUNS number [or UEI, as applicable](#);
 - 2) has an active [SAM.gov public](#) account;
 - ~~3) has an acceptable fiscal condition;~~
 - [34\)](#) is in good standing with the Illinois Secretary of State, if the Illinois Secretary of State requires the entity's organization type to be registered. Governmental entities, school districts and select religious organizations are not required to be registered with the Illinois Secretary of State. Refer to the Illinois Secretary of State Business Services website: https://www.ilsos.gov/departments/business_services/home.html ~~http://www.cyberdriveillinois.com/departments/business_services/home.html;~~

45) is not on the Illinois Stop Payment List;

56) is not on the SAM.gov Exclusion List;

67) is not on the Illinois Medicaid Sanctions~~Sanctioned Party~~ List
(<https://www.illinois.gov/hfs/oig/Pages/SanctionsList.aspx>)~~maintained by~~
~~HFS.~~

- g) Upon registration, the Grantee Portal will list the status of each requirement. If a status is not "good", a link for technical assistance provides~~on-line HELP will provide~~ an explanation of how the issue can be corrected~~and a link to correct the issue~~. The status of all requirements must be "good" for the entity to be qualified.
- 1) If an entity is on the SAM.gov Exclusion List or in Permanent Stop Payment Status on the Illinois Stop Payment List, the entity is "Not Qualified". There is no remediation available. The State of Illinois cannot do business with entities on ~~either~~ the SAM.gov Exclusion List or in Permanent Stop Payment Status on the Illinois Stop Payment List.
 - 2) If an entity is on the Illinois Stop Payment List, is not in good standing with the Illinois Secretary of State, is on the Illinois Medicaid Sanctions~~List~~HFS Sanctioned Parties list, does not have an active DUNS number or UEI as applicable, or has an expired SAM.gov account, the entity has a temporary "Not Qualified" status, but can remediate. Technical assistance links~~On-line HELP~~ through the Grantee Portal enable~~enables~~ the entity to self-mediate the issue.
 - 3) If an entity's verification confirmed all requirements under subsection (f) are met, the entity has a "Qualified" status.
- h) Qualified status is re-verified nightly. If the entity's status changes, an email notice is sent to the designated representative with a link to the Grantee Portal. The entity must use the link for technical assistance~~shall utilize on-line HELP to seek remediation~~self-mediate.
- i) Registration~~and prequalification~~ is required before an organization can apply for an award. State agencies shall use the State Staff Inquiry Screen to ensure an entity is "qualified" before reviewing the~~accepting a~~ grant application.
- j) "Qualified" status is required at the application review date. Applications will not be reviewed if the applicant is not in "qualified" status.

kj) Local governments are responsible for determining how the governmental department or agency unit will register and prequalify. In the case of a county government, the decision ~~must~~should be made by the individual with the highest level of fiscal and administrative authority.

- 1) An entity may register as a single county if the county and the departments or agency units within the county use the same FEIN and:
 - A) Have one government-wide DUNS number or UEI, as applicable;
 - B) Complete one government-wide ICQ~~Internal Control Questionnaire~~; and
 - C) Complete one government-wide indirect cost rate negotiation or election.
- 2) If it is determined that the departments should register and prequalify separately, each department must:
 - A) Have a separate DUNS number or UEI, as applicable, for each department or agency unit;
 - B) Utilize a registration name that includes both the name of the local government and the governmental department or agency (e.g., Sangamon County, Public Health Department);
 - C) Complete separate Internal Control Questionnaires (ICQs) for each department or agency unit; and
 - D) Complete separate indirect cost rate negotiations or elections for each department or agency unit.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.80 Grantee Compliance Enforcement System; Illinois Stop Payment List

- a) GATA established a Grantee Compliance Enforcement System (GCES) that outlines a statewide framework for State agencies to manage occurrences of noncompliance with grant requirements~~Grantees and applicants are subject to Section 25(6)(G) through (I) of GATA, which restricts grants/awards, subgrants and Cooperative Agreements to parties that are debarred, suspended or otherwise deemed ineligible for participation in State grant programs or activities.~~

- b) Grantees and applicants may not participate in State-issued award programs or activities if they are debarred, suspended or otherwise deemed ineligible under the terms of the GCES~~GATA established a Grantee Compliance Enforcement System (the System) that outlines a statewide framework for State agencies to manage occurrences of noncompliance with grant requirements.~~
- c) GCES is required for~~The System shall apply to~~ all grants that are subject to UR and GATA. (All grants are assumed to be subject to UR and GATA unless an exception or exemption was authorized by GATU in accordance with Section 7000.60(f).)
- d) GATA requires GOMB to maintain a list *that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, to receive grant funds from the State.* [30 ILCS 708/~~60(a)(8)~~40] The list, termed the Illinois Stop Payment List, is a component of GCES~~the System~~.
- e) The Illinois Stop Payment List is a dynamic snapshot of awardees out of compliance with select grant management requirements. Entities on the Illinois Stop Payment List are in Stop Payment Status. Utilizing a centralized list of awardees in Stop Payment Status raises awareness of noncompliance to promote timely resolution and safeguarding of State resources.
- f) Under GCES~~the System~~, the severity of an entity's noncompliance issue determines whether the entity is placed on temporary or permanent Stop Payment Status. Permanent~~A permanent~~ Stop Payment Status requires a preponderance of the evidence as defined by 2 CFR 180.990. A temporary Stop Payment Status can be remediated. ~~There is no remediation for a permanent Stop Payment Status.~~
- 1) Delinquent Reporting Based on the Terms Specified in the Grant Agreement
 - A) Agency rules shall specify procedures for managing awardee submittal of required financial and performance reports. The protocol shall provide a due diligence process for State agency-generated~~agency-generated~~ reminders to the awardee in advance of reporting due dates.
 - B) Agency rules shall allow the State awarding~~grantmaking~~ agency to extend the reporting deadline due to extenuating circumstances. Reporting extensions must be justified in writing by the State awarding~~grantmaking~~ agency. A report due date may only be extended one time.

- 2221 C) The State ~~awarding grantmaking~~ agency shall withhold payments to
 2222 the entity if a report is more than 15 business days past the original
 2223 or extended due date. Agency rules shall include awardee
 2224 notification of the State agency contact for Stop Payment Status
 2225 inquiries.
 2226
- 2227 D) If the report is not submitted within 30 business days after the
 2228 original or extended due date, the State ~~awarding grantmaking~~
 2229 agency shall place the awardee in temporary Stop Payment Status
 2230 on the Illinois Stop Payment List. (See Section 7000.260.)
 2231
- 2232 2) Immediate Placement on Stop Payment List in Temporary Status. The
 2233 following occurrences of noncompliance will result in the awardee being
 2234 immediately placed in temporary Stop Payment Status on the Illinois Stop
 2235 Payment List:
 2236
- 2237 A) Failure to submit a required refund payment or missed payment
 2238 from the payment plan within 15 business days after the due date
 2239 (including approved extensions);
 2240
- 2241 B) Failure to clear fiscal or administrative monitoring issues;
 2242
- 2243 C) Failure to submit an audit report within 15 business days after the
 2244 due date (including approved extensions);
 2245
- 2246 D) Failure to respond to an outstanding audit report or onsite review
 2247 correction action for deficiencies and material weaknesses,
 2248 including payment of questioned costs;
 2249
- 2250 E) Fact-based discretionary issues documented by the Agency
 2251 Director, General Counsel, Agency's Office of the Inspector
 2252 General, Chief Financial Officer, Chief of Staff, or Chief
 2253 Operating Officer. (See Section 7000.260.)
 2254
- 2255 3) Grantees will be placed in permanent Stop Payment Status on the Illinois
 2256 Stop Payment List for the following infractions:
 2257
- 2258 A) Facts documented by the applicable State agency, including but not
 2259 limited to:
 2260
- 2261 i) Conviction of, or civil judgment for, commission of fraud
 2262 or a criminal offense, violation of federal or state antitrust
 2263 statutes, commission of embezzlement, theft, forgery,

- 2264 bribery, falsification or destruction of records, tax evasion,
 2265 or commission of any other offense indicating a lack of
 2266 business integrity or business honesty that seriously and
 2267 directly affects the grantee's present responsibility.
 2268
- 2269 ii) Violation of grant terms or a transaction so serious as to
 2270 affect the integrity of the program, such as a willful failure
 2271 to perform in accordance with grant terms, a history of
 2272 failure to perform or of unsatisfactory performance, or a
 2273 willful violation of statutory or regulatory provisions or
 2274 requirements applicable to a grant.
 2275
- 2276 iii) Any other cause so serious or compelling in nature that it
 2277 affects present responsibilities.
 2278
- 2279 B) Fraud documented by the Office of the Executive Inspector
 2280 General or another governmental entity's investigation.
 2281
- 2282 4) In accordance with the Illinois State Collection Act of 1986, all debts
 2283 ~~under subsection (i)(2)(B)~~ that exceed \$250 and are more than 90 days
 2284 past due ~~(including approved extensions)~~ shall be placed on the
 2285 Comptroller's Offset System unless (i) the State agency shall have entered
 2286 into a deferred payment plan or demonstrates to the Comptroller's
 2287 satisfaction that referral for offset is not cost effective; or (ii) the State
 2288 agency is a university that elects to place in the Comptroller's Offset
 2289 System only debts that exceed \$1,000 and are more than 90 days past due.
 2290 All debt, and maintenance of that debt, that is placed in the Comptroller's
 2291 Offset System must be submitted electronically to the Office of the
 2292 Comptroller. Any exceptions to this requirement must be approved in
 2293 writing by the Comptroller. [30 ILCS 210/5]. ~~All requirements of Section~~
 2294 ~~5 of the Illinois State Collection Act of 1986 shall be applied.~~
 2295
- 2296 g) Procedure
 2297
- 2298 1) The State ~~awarding grantmaking~~ agency shall notify the grantee in writing
 2299 of the non-compliance issue. The communication ~~must~~~~should~~ state that the
 2300 grantee and its parent organization, if applicable under subsection (h), will
 2301 be placed on the Illinois Stop Payment List if adequate action by the
 2302 grantee, including raising any objections, is not taken within 15 calendar
 2303 days after receipt of the notification.
 2304
- 2305 2) State agencies shall have the discretion to determine the medium of
 2306 written correspondence, including e-mail distribution, certified mail, or

post office delivery. If applicable, the parent of the entity shall be copied on the correspondence. The written correspondence must specify the following:

- A) Grantee name of record and FEIN;
 - B) Applicable grant award name and CSFA number;
 - C) Non-compliance issues, with detailed facts to support each issue;
 - D) How the grantee can correct the non-compliance issue, if applicable;
 - E) An opportunity for dialogue or written objections regarding the non-compliance issue;
 - F) Contact information for questions or coordination of corrective action; and
 - G) A statement that State agencies cannot execute or modify grants to entities on the Illinois Stop Payment List and that payments to entities on the Illinois Stop Payment List will be subject to additional authorization.
- 3) If the grantee takes no adequate action within 15 calendar days after it receives the notice, the State agency shall place the grantee and the grantee's parent, if applicable, on the Illinois Stop Payment List. A written notice in the form of a final administrative determination shall be provided to the grantee and the grantee's parent, if applicable, stating that the Stop Payment Status has been invoked on that date or upon another date specified in the State agency's grant rules.
- 4) If the State agency receives a written notice from the grantee within 15 calendar days after the grantee receives the notice, the agency shall endeavor to review the objection within 15 calendar days to determine whether the grantee has complied with the requirements at issue.
- A) If the agency decides in favor of the grantee, it shall notify the grantee that the grantee is in compliance and will not be placed on the Illinois Stop Payment List ~~on the basis of~~ based on the non-compliance issue under discussion.
 - B) If the agency decides against the grantee, it shall notify the grantee

that the grantee is not in compliance and will be added to the Illinois Stop Payment List. If the non-compliance issue is a delinquent report, then, following the resolution of the grantee's unsuccessful objection, the grantee shall be added to the Illinois Stop Payment List either 30 calendar days after the original report's due date (or, if more than 30 calendar days have passed since the report's due date, 10 calendar days after the agency's decision) or on a different date specified by the State agency's grant rules.

h) The following protocol shall apply under a parent/child relationship:

- 1) If the parent or child is placed on temporary or permanent Stop Payment Status, all children will be placed on the same Stop Payment Status.
- 2) If the child is placed on temporary Stop Payment Status, the parent will be placed on temporary Stop Payment Status as well, because the parent is accountable for compliance oversight of the child.
- 3) If the child is placed on permanent Stop Payment Status as the result of the actions of an individual, the parent will be notified and will also be placed on permanent Stop Payment Status, because the parent is accountable for compliance oversight of the child. A parent may be pardoned from the non-compliance issue and removed from permanent Stop Payment Status. To do so, the parent must provide evidence to the State agency that imposed the Stop Payment Status that adequate internal controls have been implemented and are functioning to guard against a recurrence of the non-compliance issue. The State agency shall then remove the parent's permanent Stop Payment Status, but may impose additional specific conditions for grant oversight.
- 4) The State ~~awarding grantmaking~~ agency may impose oversight requirements to enforce accountability in other parent/child relationships.

i) State agencies may not execute or modify a grant to increase funding or extend the grant term of an entity on the Illinois Stop Payment List. State agencies shall refer to the State Staff Inquiry Screen or the Illinois Stop Payment List to verify Stop Payment Status.

- 1) GOMB will initiate a nightly data inquiry to compare awardee FEIN ~~and DUNS~~ numbers on the Illinois Stop Payment List to the Illinois Comptroller's Data Warehouse to determine if any transactions have occurred after the Stop Pay Date.

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- 2) If a payment transaction has been initiated to an entity on the Illinois Stop Payment list:
- A) The State agency that initiated the transaction will be notified via email of the Stop Pay Status and provided a link to the awardee's Illinois Stop Payment record.
 - B) The State agency shall review the Illinois Stop Payment record and determine if the recent payment initiated by the State agency should be withheld. It is recommended that the Stop Payment Status be enforced; however, extenuating circumstances (e.g., court order, consent decree, or federally-mandated funding or matching requirements) may ~~require~~necessitate the payment.
 - C) If applicable, the State agency shall explain why the Stop Payment Status is being overridden using the Payment Justification field in the Illinois Stop Payment List. All decisions to override the Stop Payment Status must be justified in the List. The override can be valid for one payment or a period of time. Each override cannot exceed the duration of the current fiscal year (including the lapse period).
- j) Only the State agency that placed an awardee on the Illinois Stop Payment List can remove the Stop Pay Status.
- 1) The State agency that issued the Stop Pay Status is responsible for follow-up to resolve noncompliance.
 - 2) When the noncompliance issues are resolved, the State agency that issued the Stop Pay Status shall remove the awardee from the Illinois Stop Payment List.
 - 3) Refer to Section 7000.260(d) (Maintenance and Use of the Illinois Stop Payment List).
- k) The Illinois Stop Payment List will archive all Stop Pay Statuses to document historic prior grant compliance issues. State agencies are encouraged to consider all Stop Pay Status occurrences as part of the ~~awarding~~grantmaking or modifying process.
- ~~l) If criminal charges are brought as a result of an initial Stop Pay Status determination, the State of Illinois will invoke permanent Illinois Stop Payment~~

~~Status. In accordance with the Grantee Compliance Enforcement System framework, there is no remediation for a permanent Stop Payment Status. State agencies shall not do business with an entity on either the SAM.gov Exclusion List or Permanent Stop Payment Status.~~

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.90 Auditing ~~Requirements~~ Standards

Following UR section 200.501 (Audit Requirements):

- a) Awardees, excluding for-profits, that expend \$750,000 or more during the non-federal entity's fiscal year in federal awards (federal pass-through and direct federal funds) must have a single audit conducted in accordance with UR section 200.514. Awardees meeting certain requirements may elect to have a program-specific audit conducted in accordance with UR section 200.507. (See Section 7000.90(d) for audit requirements for for-profit subrecipients.)
- b) Awardees that expend less than \$750,000 during the non-federal entity's fiscal year in federal awards (federal pass-through and ~~or~~ direct federal funds) from all sources are exempt from federal audit requirements for that year. These non-federal entities are not subject to the single audit requirements.
- c) Awardees that expend less than \$750,000 in direct federal and federal pass-through funds from all sources are subject to the following audit requirements:
 - 1) Awardees that expend \$500,000 or more in State-~~issued awards, direct federal and federal pass-through funds~~, singularly or in any combination, and are not subject to the single audit:
 - A) Must have a financial statement audit conducted in accordance with GAGAS; and
 - B) If deemed to be high risk based on the grantee's overall risk profile (obtained from the Financial and Administrative Risk Assessment, the ~~Merit~~ Merit-Based Review, or the Programmatic Risk Assessment mandated by UR section 200.331 (see Section 7000.340)):
 - i) Must have an audit conducted in accordance with GAGAS; and

- ii) Are required to undergo either an on-site review conducted by the State Cognizant Agency or an agreed-upon~~agreed upon~~ procedures engagement, paid for and arranged by the pass-through entity or pass-through entities in accordance with UR section 200.425.
 - 2) Awardees that do not meet the requirements in subsection (c)(1) but expend \$300,000 or more in State-issued awards,~~direct or federal and federal pass-through funds~~, singularly or in any combination, from a State awarding agency, during the awardee's fiscal year must have a financial statement audit conducted in accordance with GAAS~~or GAGAS~~.
 - 3) If the grantee is a Local Education Agency (as defined in 34 CFR 77.1), it must have a financial statement audit conducted in accordance with GAGAS, as required by 23 Ill. Admin. Code 100.110, regardless of the dollar amount of expenditures of federal pass-through and State-Issued Awards from a State awarding agency.
 - 4) If the grantee does not meet the requirements in subsections (a) and (c)(1) through (c)(3) but is required to have a financial statement audit conducted based on other regulatory requirements, it must submit those audits for review.
- d) For-profit Awardees~~Subrecipient~~. The pass-through entities are responsible for ensuring awardee~~subrecipient~~ compliance with established requirements. Methods to ensure compliance for State-issued ~~and federal~~ awards to for-profit subrecipients may include pre-award audits, monitoring during the agreement period of performance, and post-award audits. See also UR section 200.331 (Requirements for Pass-through Entities).
- 1) For-profit Awardees~~Subrecipient~~ Audit Requirements. For-profit awardees~~subrecipients~~ who expend \$750,000 or more in ~~direct federal and federal pass-through fund~~funds from a State awarding agency during the awardee's~~their~~ fiscal year must~~are required to~~ have a program-specific audit conducted in accordance with UR section 200.507 (Program-specific Audits).
 - A) State awarding~~grantmaking~~ agencies must provide the awardee~~recipient/subrecipient~~ the program-specific audit guide, when available.

- 2519 B) If a program-specific guide is not available, the auditor and auditee
 2520 have the same responsibilities for the program as they would have
 2521 for a major program in a single audit.
 2522
- 2523 2) For-profit ~~awardees~~~~subrecipients~~ who expend less than \$750,000 in ~~direct~~
 2524 ~~federal and~~ federal pass-through funds from a State awarding agency
 2525 during the awardee's ~~their~~ fiscal year ~~must are required to~~ follow the audit
 2526 requirements in subsections (c)(1) through (c)(4) ~~subsection (e)~~.
 2527
- 2528 e) Awardees who do not meet the requirements in subsection (c) or (d) but have
 2529 audits conducted based on other regulatory requirements must submit those audits
 2530 for review.
 2531
- 2532 f) Single Audit and Program Specific Audit Report Submission. Single audits
 2533 conducted in accordance with this Section, including any program or regulatory
 2534 audit requirements, must be completed and the reporting package described in
 2535 subsection (g) must be submitted by the ~~awardee non-federal entity~~
 2536 ~~(grantee/subrecipient)~~ to the Federal Audit ~~Clearinghouse~~~~Clearing House~~, as
 2537 required by UR section 200.512 and the Grantee Portal~~GATA Information~~
 2538 ~~Warehouse~~, within the earlier of 30 calendar days after receipt of the auditor's
 2539 reports or 9 months after the end of the ~~awardee's non-federal entity's~~ audit period.
 2540 If the due date falls on a Saturday, Sunday or State/federal holiday, the reporting
 2541 package is due the next business day.
 2542
- 2543 g) Financial Statement Audits conducted in accordance with this Section must be
 2544 completed and the reporting package described in subsection (~~h~~g) must be
 2545 submitted by the awardee using the Grantee Portal~~non-federal entity to the GATA~~
 2546 ~~Information Warehouse~~ within the earlier of 30 calendar days after receipt of the
 2547 auditor's reports or 6 months after the end of the ~~awardee's non-federal entity's~~
 2548 audit period. If the due date falls on a Saturday, Sunday or State/federal holiday,
 2549 the reporting package is due the next business day.
 2550
- 2551 h) Reporting package submissions must include:
 2552
- 2553 1) For Single Audit and Program Specific Audit submissions:
 2554
- 2555 A) All items identified in UR section 200.512(c);
 2556
- 2557 B) Management letters ~~and AU 325 communication~~ issued by the
 2558 auditors, and their respective corrective action plans if significant
 2559 deficiencies or material weaknesses are identified; and
 2560

- 2561 C) Consolidated Year-end Financial Report with an "in relation to
- 2562 opinion".
- 2563
- 2564 D) A copy of the results of the most recent peer review of the audit
- 2565 firm.
- 2566
- 2567 2) For Financial Statement Audit submissions:
- 2568
- 2569 A) Financial Statements;
- 2570
- 2571 B) Summary schedule of Prior Audit Findings, when applicable;
- 2572
- 2573 C) Auditor's report;
- 2574
- 2575 D) Corrective Action Plan (when Audit Report identifies findings);
- 2576
- 2577 E) Management letters ~~and AU 325 communications~~ issued by the
- 2578 auditors, and their respective corrective action plans if significant
- 2579 deficiencies or material weaknesses are identified; and
- 2580
- 2581 F) Consolidated Year-end Financial Report with an "in relation to
- 2582 opinion";
- 2583
- 2584 G) A copy of the results of the most recent peer review of the audit
- 2585 firm.
- 2586
- 2587 3) Awardees ~~Non-federal entities~~ that are not required to have an audit
- 2588 conducted must submit a Consolidated Year-end Financial Report using
- 2589 the Grantee Portal.
- 2590

2591 (Source: Amended at 47 Ill. Reg. _____, effective _____)

2593 **Section 7000.95 Annual Report and 5-Year Review**

- 2594
- 2595 a) *Effective January 1, 2016 and each January 1 thereafter, GOMB, ~~in conjunction~~*
- 2596 *~~with ILSAC~~, shall submit to the Governor and the General Assembly a report that*
- 2597 *demonstrates the efficiencies, cost savings, and reductions in fraud, waste, and*
- 2598 *abuse as a result of the implementation of GATA and this Part. [30 ILCS 708/95]*
- 2599 Implementation reports can be found at [https://gata.illinois.gov/resource-](https://gata.illinois.gov/resource-library.html)
- 2600 [library.html](https://gata.illinois.gov/resource-library.html). GATA performance is addressed in Section 7000.400. The
- 2601 following areas will be addressed:
- 2602
- 2603 1) *Number of entities placed on the Illinois Stop Payment List;*

- 2) Savings realized as a result of the implementation of GATA;
- 3) Reduction in the number of duplicative audits;
- 4) Number of persons trained to assist awardees;
- 5) Number of awardees to whom a fiscal agent was assigned. [30 ILCS 708/95]

- b) *GOMB shall review GATA at least once every 5 years after December 26, 2014 in conjunction with the federal review of the UR, Cost Principles, and Audit Requirements for Federal Awards as required by UR section 200.109 in order to determine whether any existing rules need to be revised or new rules adopted. [30 ILCS 708/70]*

(Source: Amended at 47 Ill. Reg. _____, effective _____)

SUBPART B: GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET (GOMB) RESPONSIBILITIES

Section 7000.100 GOMB Responsibilities

GOMB ~~will~~shall execute the specific requirements and responsibilities set forth in Section 55 of the Act, including the establishment of GATU. GOMB will provide technical assistance and policy interpretation to State ~~awarding grantmaking~~ agencies. GATU will review requested exceptions~~Exceptions authorized by Section 55 of the Act shall be reviewed by GATU~~ in accordance with Section 7000.60.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.110 GOMB Adoption of Supplemental Rules for Multi-~~Year~~year Grants

- a) The Issuance of One-Year Grants
- 1) An awardee must have a minimum of 5 years of experience in administering grants (federal, State or private sources) to be eligible for a multi-year award.
 - 2) All awardees with less than 5 years of experience in administering grants (federal, State or private sources) ~~are~~is eligible for a multi-year award, if conditions are met:

- 2647 A) The State awarding agency must assign specific conditions to the
 2648 awardee in response to the risk posed by the applicant through the
 2649 ICQ and programmatic risk assessment;
 2650
 2651 B) Specific condition compliance must be monitored by the State
 2652 awarding agency or pass-through entity throughout the grant term;
 2653 and
 2654
 2655 C) Renewal grants are conditioned on a comprehensive evaluation of
 2656 the awardee's fiscal, administrative, and programmatic compliance
 2657 during the preceding grant term.
 2658
 2659 b) The issuance of discretionary~~competitive~~ grants in 3-year terms (one-year initial
 2660 term with the option to renew for up to 2 additional years).
 2661
 2662 1) A multi-year award is defined as a one-year grant with subsequent renewal
 2663 grants. A multi-year award may not exceed 3 years of total funding.
 2664
 2665 2) All grant programs that have been in existence for 5 years may use~~utilize~~ a
 2666 multi-year award.
 2667
 2668 3) Grant programs that have been in existence for less than 5 years may only
 2669 use~~utilize~~ a multi-year award if~~provided~~:
 2670
 2671 A) The awardee has specific expertise and experience related to the
 2672 programmatic use of the fund, and has demonstrated an
 2673 administrative and programmatic capacity to provide the grant
 2674 services; or
 2675
 2676 B) The grant program will function as a pilot program and requires a
 2677 multi-year award to adequately evaluate the program model for
 2678 feasibility.
 2679
 2680 4) Agencies shall use~~utilize~~ a rolling multi-year schedule to manage the
 2681 administrative responsibilities of the grant application process. Under
 2682 eligibility terms, agencies have discretion to stagger the grant terms and
 2683 subsequent renewals.
 2684
 2685 c) The issuance of no-cost extensions (as defined in Section 7000.30) must be
 2686 supported by statute. The grant amount may not be changed under a no-cost
 2687 extension. No-cost extensions are subject to appropriation under the terms of the
 2688 executed grant agreement.
 2689

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.120 GOMB Adoption of Supplemental Rules for Grant Payment Methods

a) Payments to states are governed by the Cash Management Improvement Act and the Treasury-State Agreement (TSA) default procedures codified at 31 CFR 205.

1) State agencies must have implemented, written policies and procedures that comply with the TSA and 2 CFR 200.305. The policies and procedures must be approved by State agency staff responsible for cash ~~drawdowns~~~~draw-downs~~, federal reporting, and the TSA interest calculation. The policies and procedures must ensure:

A) Awardee grant payments conform to the TSA and this Section.

B) Awardee grant payments conform to requirements in 2 CFR 200.305.

C) Awardees have policies and procedures that enable them to conform to the TSA and 2 CFR 200.305.

b) Payments to awardee entities must ~~use~~~~utilize~~ grant payment methods that minimize the time elapsing between the transfer of funds from the Illinois Office of the Comptroller and the pass-through entity. The disbursement by the awardee may be made by electronic funds transfer, issuance or redemption of checks, warrants, or payment by other means. (See UR section 200.302(b)(6) (Financial management).)

1) Advance Payments.

A) The awardee entity must be paid in advance, provided it maintains or demonstrates the willingness to maintain both:

i) written procedures that minimize the time elapsing between the transfer of funds and disbursement by the awardee; and

ii) financial management systems that meet the standards for fund control and accountability as established in UR section 200.302.

B) Advance payments must be limited to the minimum amounts needed and be timed to be in accordance with the

2733 actual, immediate cash requirements of the awardee in
 2734 carrying out the purpose of the approved program or
 2735 project. The timing and amount of advance payments must
 2736 be as close as is administratively feasible to the actual
 2737 disbursements by the awardee for direct program or project
 2738 costs and the proportionate share of any allowable indirect
 2739 costs. The awardee entity must make timely payment to
 2740 contractors in accordance with the contract provisions.

- 2741
- 2742 C) State agencies must implement written policies and
 2743 procedures documenting their assessment ensuring
 2744 awardee's written procedures and their financial
 2745 management systems meet the standards for fund control
 2746 and requirements in UR section 200.302.
- 2747
- 2748 D) State awarding agencies must document the determination
 2749 that the awardee meets the requirements of advance
 2750 payments in this subsection (b)(1).

2751

2752 2) Reimbursement. Reimbursement is the preferred method; if the
 2753 awardee does not meet the requirements in subsection (b)(1).
 2754 Reimbursement must be ~~used~~~~utilized~~ when the requirements in
 2755 subsection (b)(1) cannot be met, when the State awarding agency
 2756 sets a specific condition per UR section 200.208~~207~~ (Specific
 2757 conditions), or when the awardee requests payment by
 2758 reimbursement. Reimbursement may be used on any grant award
 2759 for construction, or if the major portion of the construction project
 2760 is accomplished through private market financing or federal or
 2761 State loans and the grant award constitutes a minor portion of the
 2762 project. When the reimbursement method is used, the State
 2763 awarding agency or pass-through entity must ~~pay~~~~make payment~~
 2764 within 30 calendar days after receipt of the billing; unless the State
 2765 awarding agency or pass-through entity reasonably believes the
 2766 request to be improper.

2767

2768 3) Working Capital Advances. If the awardee entity cannot meet the
 2769 criteria for advance payments as stated in subsection (b)(1) and the
 2770 State awarding agency or pass-through entity has determined that
 2771 reimbursement is not feasible because the awardee lacks sufficient
 2772 working capital, the State awarding agency or pass-through entity
 2773 may provide cash on a working capital advance basis. Under a
 2774 working capital advance, the State awarding agency or pass-
 2775 through entity must advance cash payments to the awardee to

cover its estimated disbursement needs for an initial period, generally geared to the awardee's disbursing cycle. This would include initial start-up cost and normal monthly grant ~~expenses.~~~~expense~~ not to exceed two months of monthly grant expenses. ~~After that~~~~Thereafter~~, the State awarding agency or pass-through entity must reimburse the awardee for its actual cash disbursements.

A) A working capital advance requires the State awarding agency or pass-through entity to provide timely advance payments to awardees ~~in order~~ to meet the awardee's actual cash disbursements.

B) A working capital advance must not be used if the reason for the working capital advance is the unwillingness or inability of the State awarding agency or pass-through entity to provide timely advance payments to the awardee to meet the awardee's actual cash disbursements.

c) State agencies must implement written policies and procedures for each grant payment method ~~used~~~~utilized~~ by the agency: advance payments, reimbursements and working capital advances. The policies and procedures must be approved by State agency staff responsible for federal and State cash drawdowns and reporting.

d) Standards governing the use of banks and other institutions as depositories of advance payments under awards are as follows:

1) The State awarding agency and pass-through entity must not require separate depository accounts for funds provided to an awardee or establish any eligibility requirements for depositories for funds provided to the awardee. However, the awardee must be able to account for the receipt, obligation and expenditure of funds.

2) Advance payments of federal funds must be deposited and maintained in insured accounts whenever possible.

3) The awardee must maintain advance payments of federal awards in interest-bearing accounts, unless the following apply:

A) The awardee receives less than ~~\$250,000~~~~\$120,000~~ in federal awards per year.

- B) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year.

e) Parameters Regarding Interest Earned

- 1) Interest earned by the awardee up to \$500 per year may be retained by the awardee for administrative expense.
- 2) Interest earned by the awardee in excess of \$500 per year on federal advance payments deposited in interest-bearing accounts must be returned to the State awarding agency in accordance with UR section 200.305(9).

35) Payment Withholding

- A) Unless otherwise required by State statute, payments for allowable costs shall not be withheld at any time during the period of performance unless the conditions of Section 7000.80 apply, the awardee is determined to be "not qualified" in accordance with Section 7000.320, or one or more of the following conditions exists:

- i) The awardee has failed to comply with the project objectives, State statutes or regulations, or the Grant Agreement; or
- ii) The awardee is delinquent in a debt to the State of Illinois (see the Illinois State Collection Act of 1986). Under these conditions, the agency may, upon reasonable notice, inform the awardee that the awardee shall not ~~paymake payments~~ for obligations incurred after a specified date until the delinquency is corrected or the indebtedness to the State is liquidated.

- B) If the grant is suspended and payment is withheld because ~~of the~~ ~~awardee failed~~ ~~awardee's failure~~ to comply with the Grant Agreement, payment must be released to the awardee upon subsequent compliance. Refer to Section 7000.80 for the Grantee Compliance Enforcement System and the Illinois Stop Payment List.

- C) A payment must not be made to an awardee for amounts to be paid to contractors that the awardee retains to assure satisfactory completion of work. The payment shall be made when the awardee

actually disburses the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

SUBPART C: STATE AGENCY RESPONSIBILITIES AND IMPLEMENTATION

Section 7000.200 State Agency Responsibilities

- a) The specific requirements and responsibilities of State agencies and non-federal entities are set forth in Section 50 of the Act.
- b) State agencies making State-issued awards to non-federal entities must adopt rules reflecting UR subparts B through F ~~by July 1, 2017~~ unless different provisions are required by law or an exception is granted by GATU in accordance with Section 7000.60.
 - 1) In applying UR subparts D through F to State-issued awards~~State-funded grants~~, the following terms in Column A from the UR are interchangeable with the terms in Column B.

Column A Terms from 2 CFR 200 Subparts B Through F	Column B Application to State- <u>Issued</u> Funded Awards
Federal awarding agency	State <u>awarding</u> grantmaking agency
Non-federal entity	<u>Awardee</u> State grant recipient
<u>Assistance Listing</u> Catalog of Federal Domestic Assistance or CFDA	Catalog of State Financial Assistance or CSFA
Federal financial assistance	<u>State-issued award</u> State funds
Federal pass-through financial assistance	Federal pass-through <u>funds</u>
Federal statutes or regulations	State statutes or regulations

- 2) The following UR sections apply~~are applicable~~ to State-issued awards ~~and federal pass-through grants~~, with the terminology equivalencies listed in subsection (b)(1):

2888			
2889	A)	Subpart B – General Provisions	
2890			
2891	B)	Subpart C – Pre-Federal Award Requirements and Contents of	
2892		Federal Awards	
2893			
2894	C)	Subpart D – Post-Federal Award Requirements	
2895			
2896	D)	Subpart E – Cost Principles	
2897			
2898	E)	Subpart F – Audit Requirements	
2899			
2900	F)	Appendices (applicable sections)	
2901			
2902	i)	Appendix I	Notice of Funding Opportunity
2903			(Except section E)
2904			
2905	ii)	Appendix II	Contract Provisions for Non-Federal
2906			Entity Contracts Under Federal
2907			Awards
2908			
2909	iii)	Appendix III	Indirect (F&A) Costs Identification
2910			and Assignment, and Rate
2911			Determination for Institutions of
2912			Higher Education (IHEs)
2913			
2914	iv)	Appendix IV	Indirect (F&A) Costs Identification
2915			and Assignment, and Rate
2916			Determination for Nonprofit
2917			Organizations
2918			
2919	v)	Appendix V	State/Local Government-wide
2920			Central Service Cost Allocation
2921			Plans
2922			
2923	vi)	Appendix VI	Public Assistance Cost Allocation
2924			Plans
2925			
2926	vii)	Appendix VII	States and Local Government and
2927			Indian Tribe Indirect Cost Proposals
2928			
2929	viii)	Appendix VIII	Nonprofit Organizations Exempted

From Subpart E – Cost Principles of Part 200

- | | | |
|------|--------------|--|
| ix) | Appendix IX | Hospital Cost Principles |
| x) | Appendix X | Data Collection Form (Form SF-SAC) |
| xi) | Appendix XI | Compliance Supplement |
| xii) | Appendix XII | Award Term and Condition for Recipient Integrity and Performance Matters |

- c) *Each State ~~awarding grantmaking~~ agency shall appoint a Chief Accountability Officer to serve as a liaison to GATU and be responsible for the State agency's implementation of, and compliance with, the UR and this Part.*
- d) *In order to effectively measure the performance of its awardees, each State ~~awarding grantmaking~~ agency shall:*
- 1) *Require its awardees to submit a Periodic Performance Report (PPR) in the format prescribed by GATU and available through the GATA Resource Library at www.grants.illinois.gov. The frequency of PPR reporting shall be specified in the executed Grant Agreement and no less frequent than annually nor more frequent than quarterly except in unusual circumstances as stated in the Uniform Grant Agreement. Best practice would be~~must be~~ quarterly reporting~~unless otherwise specified in the uniform grant agreement (UGA).~~*
 - 2) *Utilize the PPR to require its awardees to relate financial data to performance accomplishments of the award and, when applicable, require awardees to provide cost information to demonstrate cost-effective practices. The awardee's performance should be measured in a way that will help the State agency to improve program outcomes, share lessons learned, and spread the adoption of promising practices; and*
 - 3) *Provide awardees with clear performance goals, indicators, and milestones through the Grant Agreement and shall establish performance reporting frequency and content to not only allow the State agency to understand the awardee's progress, but also to facilitate identification of promising practices among awardees and build the evidence upon which the State agency's program and performance decisions are made.*

- e) Each State awarding~~grantmaking~~ agency shall enhance its processes to monitor and address noncompliance with reporting requirements and with program performance standards. When applicable, the process may include a corrective action plan. The monitoring process shall include a plan for tracking and documenting performance-based contracting decisions. [30 ILCS 708/45(g)]
- f) State awarding agencies are required to follow internal control compliance requirements in OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.
- gf) GOMB shall provide such advice and technical assistance to the State agencies as is necessary or indicated in order to ensure compliance with the Act. [30 ILCS 708/50]
- hg) Each State agency shall submit any exception requests to GATU for approval in accordance with Section 7000.60. ~~(Program-specific Exceptions, Exemptions to UR and GATA).~~

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.210 State Agency Implementation

- a) State agencies shall implement the policies and procedures applicable to ~~federal~~ and federal pass-through awards by adopting, ~~on or before July 1, 2017,~~ rules for non-federal entities. The federal rules took effect for fiscal years on and after December 26, 2014, unless different provisions are required by State or federal statute or federal rule.
- b) The standards set forth in GATA~~the Act~~, which affect administration of ~~federal, federal pass-through and~~ State-issued awards issued by State awarding agencies, become effective once adopted as rules by the State agencies. [30 ILCS 708/90]

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.220 State Cognizant Agency Responsibilities and Implementation

- a) The State Cognizant Agency is the State agency that provides the most funding to the awardee based on State agency entries into the CSFA. Each awardee is assigned a State Cognizant Agency. The State Cognizant Agency assignments are recorded in the Grantee Portal and the State Staff Inquiry Screen.

- b) As defined in Section 7000.30, the State Cognizant Agency is the State ~~awarding grantmaking~~ agency designed to carry out specific pre-award responsibilities associated with prequalification, fiscal and administrative risk assessment, and indirect cost rate election/negotiation.
- 1) The State Cognizant Agency provides support as necessary to assist the applicants in completing the prequalification process. Refer to Section 7000.320.
 - 2) The State Cognizant Agency reviews and accepts submitted ICQs pursuant to Section 7000.340(d)(1).
 - 3) The State Cognizant Agency reviews and accepts indirect cost rate elections/negotiations pursuant to Section 7000.420.
 - 4) The State Cognizant Agency designates staff to serve as the Indirect Cost Rate Subject Matter Expert to support Section 7000.420.
 - 5) The State Cognizant Agency designates staff to serve as the Audit Report Review Subject Matter Expert to support Section 7000.90.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.230 Institution of Higher Education Responsibilities and Implementation

- a) UR and GATA requirements *shall apply to awards funded by State ~~appropriations and~~ federal pass-through awards from a State ~~awarding~~ agency to a public ~~institutions~~ institution of higher education (IHEs).* [30 ILCS 708/45(f)]
- b) IHEs shall be subject to UR appendix III (Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education) and the cost principles under UR Subpart E.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.240 Subrecipient/Contractor Determinations

- a) An organization may concurrently receive State-~~issued~~ awards as a grantee, a subgrantee (subrecipient), and a contractor, depending on the substance of the Grant Agreement, Cooperative Agreement, ~~Interagency Agreement or~~ Intergovernmental Agreement between State agencies and awardees. A pass-through entity must make case-by-case determinations of whether the entity receiving the funds is a subrecipient or contractor.

1) Subrecipient

A subaward is to carry~~for the purpose of carrying~~ out a portion of a Grant Agreement and creates a State assistance relationship with the subrecipient. Characteristics that support the classification of the grantee as a subrecipient include the following:

- A) Determines who is eligible to receive what State and federal pass-through assistance;
- B) Has its performance measured based on~~in relation to~~ whether the objectives of a State or federal pass-through program were met;
- C) Has responsibility for programmatic decision making;
- D) Is responsible for adherence to applicable State and federal pass-through program requirements specified in the State agency's rule; and
- E) In accordance with its Grant Agreement, uses the State and federal pass-through funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for its own benefit.

2) Contractors

A contract is to obtain~~for the purpose of obtaining~~ goods and services for the grantee's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the awardee and a contractor are when the contractor:

- A) Provides the goods and services within normal business operations;
- B) Provides similar goods or services to many different purchasers;
- C) Normally operates in a competitive environment;
- D) Provides goods or services that are ancillary to the operation of the State and federal pass-through program; and
- E) Is not subject to compliance requirements of the State-issued award or federal pass-through program as a result of the agreement, though similar requirements may apply for other reasons.

3) Use of Judgment in Making Determination

A) In determining whether an agreement between a pass-through entity and another non-federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement.

B) Each of the characteristics listed in subsection (a)(1) may not be present in all cases. The pass-through entity must use judgment in classifying each agreement as a subaward/subgrant or a procurement contract.

b) The Recipient Checklist for Determining if the Entity Receiving Funds as a Contractor or Subrecipient Relationship ~~must~~should be used to document the subrecipient vs. contractor determination. The completed Checklist ~~must~~should be maintained for monitoring and audit purposes as evidence of the determination.

c) The Checklist is available on the GATA website (www.grants.illinois.gov).

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.250 CSFA Maintenance

a) ~~Per UR Subpart C,~~ State agencies ~~must~~shall maintain the Catalog of State Financial Assistance (CSFA) as the State's single, authoritative, statewide comprehensive source of State financial assistance program information.

b) State agencies ~~must~~shall enter data into the CSFA as follows:

1) When federal, federal pass-through or State funds are received by the State agency;

2) When awards are issued from the federal, federal pass-through or State funds; and

3) When exceptions ~~or exemptions~~ are given by GATU in writing on behalf of the Governor's Compliance Office for specific grant programs (see Section 7000.60).

c) State agencies are encouraged to establish a data transmission from the State agency's grants management system ~~to~~and the CSFA to automate CSFA maintenance. The statewide Grant Management System will ultimately replace

individual State agencies' grant management systems. GOMB's Information Technology Manager (OMB.helpdesk@illinois.gov) is the point of contact for the automated data transmission.

- d) State agencies shall generate the NOFO ~~based on~~from the CSFA ~~data through the statewide Grant Management System.~~ NOFOs are~~CSFA-generated NOFOs will be~~ published on the public-facing CSFA, which is accessible through the GATA website (www.grants.illinois.gov).
- e) State agencies shall generate the NOSA from the CSFA, if required as described in Section 7000.360.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.260 Maintenance and Use of the Illinois Stop Payment List

- a) The ~~Grantee~~Grant Compliance Enforcement System is described in Section 7000.80.
- b) If an awardee is not compliant with the grant terms stated in Section 7000.80(f)(1) or Section 7000.80(f)(2), the State awarding agency must place the awardee on temporary Stop Payment Status pursuant to Section 7000.80(g)~~Grant Compliance Enforcement System shall go into effect.~~

~~1-) Delinquent Reporting~~

- ~~A) State agency protocols shall dictate procedures for managing financial and programmatic reporting due dates. State agencies shall apply due diligence with awardees to support the administration of reporting requirements stated in the executed Grant Agreement and/or subsequent amendments.~~

- c) If the awardee is not compliant with grant terms stated in Section 7000.80(f)(3), the State awarding agency shall place the awardee on permanent Stop Payment Status.
- d) The State agency can add or remove an awardee to the Illinois Stop Payment List in one of two ways:
 - 1) By direct data entry into the Illinois Stop Payment List through the GATA implementation website; or

2) By using an automated data transfer to the Illinois Stop Payment List from the State agency's grants management system. (Automated data transfers are strongly recommended to maintain data integrity. Data transfers can be coordinated through GOMB's Information Technology Manager.)

eB) State agency protocols shall establish a methodology for the State agency to withhold payments at the entity level as prescribed in Section 7000.80(f)(1)(C).

1i) The State agency shall have authority to override the payment hold and generate payment to the entity.

2ii) The circumstances requiring~~necessitating~~ the override shall be documented and maintained by the State Agency.

3E) If an outstanding report is not submitted within the timeframe stated in Section 7000.80(f)(1)(D), the State agency shall proceed with temporary Stop Payment Status as prescribed in Section 7000.80(f)(1)(D).

42) The State awarding~~grantmaking~~ agency shall place the awardee on temporary Stop Payment Status for other occurrences of noncompliance, in accordance with Section 7000.80(f)(2).

53) The State awarding~~grantmaking~~ agency shall place the awardee on permanent Stop Payment Status in accordance with Section 7000.80(f)(3).

64) The State Agency shall perform the following due diligence before adding an awardee to the Illinois Stop Payment List:

A) The agency shall notify the awardee in writing of the pending Stop Payment Status. The notice shall include:

- i) Applicable grant name and number;
- ii) The specific noncompliance issues with supporting facts (e.g., specifications of delinquency);
- iii) Instructions for correcting the noncompliance issues, if applicable;
- iv) Contact information to inquire ~~and~~ or coordinate corrective action; and

v) The following statement: "State agencies cannot execute or increase grants to entities on Stop Payment Status. Payments to entities on the Illinois Stop Payment List are subject to additional authorization."

B) If the awardee does not respond or take corrective action to the notice of Stop Payment Status ~~within~~^{with} 15 calendar days, the State agency shall put the awardee on the Illinois Stop Payment List.

~~75~~) The following information is required for the Illinois Stop Payment List:

A) Awardee's FEIN;

B) Awardee's DUNS number;

C) Awardee's name;

D) Stop Pay Date (date the Stop Payment Status was effective);

E) Stop Pay Reason (applicable noncompliance issues); and

F) Agency Contact (name, phone number and email address of State agency personnel with knowledge of the noncompliance issue).

~~86~~) The State agency can add an awardee to the Illinois Stop Payment List in one of ~~two~~² ways:

A) By direct data entry into the Illinois Stop Payment List through the GATA implementation website; or

B) By ~~using~~^{utilizing} an automated data transfer to the Illinois Stop Payment List from the State agency's grants management system. (Automated data transfers are strongly recommended to maintain data integrity. Data transfers can be coordinated through GOMB's Information Technology Manager.)

~~f7~~) When the noncompliance issue is resolved, the State agency that placed the awardee on the Illinois Stop Payment List shall remove it from the Illinois Stop Payment List pursuant to Section 7000.80(j) and Section 7000.260(d). The methodology described in subsection (b)(6) is applied to remove a grantee from the Illinois Stop Payment List.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

SUBPART D: STATE AND FEDERAL PASS-THROUGH PRE-AWARD REQUIREMENTS

Section 7000.300 Grant, Cooperative, Interagency and Intergovernmental Agreements

a) This Subpart applies to grants issued from State and federal pass-through funds.

b) The State agency shall decide on the appropriate instrument for the award (i.e., Grant Agreement or Cooperative Agreement):

1) Grant Agreements, Interagency and Intergovernmental Agreements

A) A State awarding agency shall use the Uniform Grant Agreement (see Section 7000.370) as the legal instrument reflecting a relationship between the State and an awardee when:

iA) The principal purpose of the relationship is to transfer a thing of value to the awardee to carry out a public purpose of support or stimulation authorized by State or federal law; and

iiB) Substantial involvement is not expected between the State agency and the awardee when carrying out the activity contemplated in the Grant Agreement.

B) A State awarding agency shall use the Uniform Grant Agreement when issuing a grant to another government entity, such as a State agency or department, constitutional office, city, municipality, or county health department.

C) The State awarding agency must not use the Uniform Grant Agreement for an interagency agreement or intergovernmental agreement which pledges support of joint effort on a project, establishes data sharing, or establishes an employment or personal services relationship.

2) Cooperative Agreements

A State agency shall use a Cooperative Agreement as the legal instrument reflecting a relationship between the State and a recipient when:

- A) The principal purpose of the relationship is to transfer a thing of value to the recipient to carry out a public purpose of support or stimulation authorized by State law instead of acquiring (by purchase, lease or barter) property or services for the direct benefit or use of the State government; and
- B) Substantial involvement is expected between the State agency and the recipient when carrying out the activity contemplated in the Cooperative Agreement.

~~3)~~ ~~Interagency Agreements~~

- ~~A) A State agency shall use the Uniform Intergovernmental Grant Agreement (UIGA) as the legal instrument reflecting a relationship between the State grantmaking agency and the awardee when:~~
 - ~~i) The principal purpose of the relationship is to transfer a thing of value to the awardee to carry out a public purpose of support or stimulation authorized by State or federal law; and~~
 - ~~ii) Substantial involvement is not expected between the State agency and the awardee when carrying out the activity contemplated in the Grant Agreement.~~
- ~~B) The UIGA should be used when issuing a grant, as defined in Section 7000.20, to another governmental entity (see the Intergovernmental Cooperation Act), such as a city, municipality, county health department, State university or State agency (whether or not under the Governor's jurisdiction).~~
- ~~C) Intergovernmental Agreements that pledge support, share data or pledge a joint effort on a project and do not constitute a grant should not use the UIGA.~~
- ~~D) Employment or personal services Intergovernmental Agreements should not use the UIGA.~~

34) Multiple Agreements

A State awarding agency is not limited to establishing only one Grant Agreement ~~and~~/or Cooperative Agreement between the State and an awardee on a jointly financed project involving amounts from more than

one program or appropriation when different agreements would otherwise be appropriate for different parts of the project.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.310 Public Notice of Discretionary and Non-Discretionary Grant Programs

a) Discretionary Grant Programs

1) The State agency must notify the public of available State-issued awards ~~grants~~ in the Catalog of State Financial Assistance (CSFA).

A1) The CSFA is the single, authoritative, comprehensive source of State-issued award ~~grant~~ program information.

B2) The State agency shall only issue State and federal pass-through funds based on a program included in the CSFA.

2b) For each program, the State agency must submit the following information to GATU:

A1) Program Description – Grant program description, including its purpose, goals and measurement process;

B2) Program Authority – Whether the program is created at the discretion of the agency or is prescribed by State statute;

C3) Funding – Projected total amount and source of funds available for the program;

D4) General Eligibility Requirements – The statutory and regulatory standards that determine the applicant's qualification for State-issued awards ~~grants~~ under the program;

E5) Auditing – Audit requirements; and

F6) Indirect Costs – Approved statutory indirect costs limitations and restrictions.

3e) The State awarding agency shall provide official public notice of discretionarily ~~competitively~~ issued grant funding opportunities through a NOFO on the public-facing ~~generated from the~~ CSFA, which is available ~~and posted~~ on the GATA website (www.grants.illinois.gov).

- 4d) The State agency shall publish the NOFO for at least 30 ~~to 45~~ calendar days. The State agency may request an exception due to extenuating circumstances for a shorter ~~to the~~ NOFO posting period ~~timelines~~ from GOMB pursuant to Section 7000.60 ~~due to extenuating circumstances~~. The State agency does not need an exception to post a NOFO for a longer period or to use an open-ended NOFO.
- 5e) The NOFO shall be produced on a uniform, statewide template (see the GATU website). This information shall precede the text of the announcement. It shall disclose the information required under UR section 200.204 ~~203~~ and shall reflect the additional State requirements of Section 30 of the Act. The following are some of the types of information required by UR section 200.204 ~~203~~ and GATA Section 30:
- A ~~1~~) State Agency Name;
 - B ~~2~~) Grant Program Title;
 - C ~~3~~) Announcement Type (i.e., initial announcement or modification of a previous announcement);
 - D ~~4~~) Funding Opportunity Number (assigned through the CSFA NOFO process);
 - E ~~5~~) Catalog of State Financial Assistance (CSFA) Number and Title;
 - F ~~6~~) Assistance Listing Numbers (formerly Catalog of Federal Domestic Assistance (CFDA) Numbers) (if applicable);
 - G ~~7~~) Estimated Total Program Funding;
 - H ~~8~~) Source of Funding;
 - I ~~9~~) Cost Sharing or Matching Requirement;
 - J ~~10~~) Approved Statutory Indirect Cost Limitations and Restrictions;
 - K ~~11~~) Key Dates, including:
 - i ~~A~~) Due dates for applications and for any letters of intent or pre-applications;

iii) Date for technical assistance session (if applicable); and

(f) In compliance with UR section 200.~~204~~~~203~~, the State agency shall include the following information in the full text of the grant announcement:

B2) State-~~issued award-grant~~ information, including sufficient information to help an applicant make an informed decision about whether to submit an application;

D4) Application preparation and submission information, including the applicable submission date and time;

F6) State-~~issued award-grant~~ administration information, including prior approval requirements;

H8) Any specific terms of, and conditions on, the grant.

8h) State agencies shall ~~use~~utilize the NOFO and the announcement of the grant program to communicate all relevant State requirements and conditions of the pending grant award.

9i) State agencies shall ~~use~~utilize the Uniform Grant Agreement ~~or the Uniform Interagency Agreement~~ to communicate all relevant State requirements and conditions for the grant award.

10j) Awardees are responsible for complying with all requirements of the statute authorizing the grant, this Part, the rules of the specific grant program, and the Grant Agreement.

b) Non-discretionary Grant Programs

1) The State agency must notify the public of awarded State-issued awards in the Catalog of State Financial Assistance (CSFA).

A) The CSFA is the single, authoritative, comprehensive source of State-issued award program information.

B) The State agency shall only issue State and federal pass-through funds based on a program included in the CSFA.

2) For each program, the State agency must submit the following information to GATU:

A) Program Description – Grant program description, including its purpose, goals and measurement process;

B) Program Authority – Whether the program is created at the discretion of the agency or is prescribed by State statute;

C) Funding – Projected total amount and source of funds available for the program;

D) General Eligibility Requirements – The statutory and regulatory standards that determine the applicant's qualification for State-issued awards under the program;

E) Auditing – Audit requirements; and

F) Indirect Costs – Approved statutory indirect costs limitations and restrictions.

3) The State agency must provide official public notice of non-discretionarily issued grants through an NDFI generated from the CSFA and posted on the GATA website (www.grants.illinois.gov).

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.320 Grantee Registration and Pre-~~Qualification~~qualification

- a) All requirements of Section 7000.70 (Grantee Qualification Status) apply to State-issued~~State and federal pass-through~~ awards.
- b) Regardless of the source of funding (federal pass-through or State), all grantees are required to register with the State of Illinois, complete a prequalification process, and be determined "qualified" as described in Section 7000.70.
- c) Qualification verification is performed annually based on a completed registration and nightly ~~after that~~thereafter through an automated verification conducted by GOMB. Notification of a change in qualified status shall be communicated through the Grantee Portal and the State Staff Inquiry Screen.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.330 Uniform Grant Application and Budget Template

- a) Unless an exception has been granted and documented in ~~the agency's rules and~~ the CSFA, State agencies shall use the uniform grant application template provided by GATU and available through the GATA Resource Library at <https://gata.illinois.gov> or the Grant Management System, as directed by GATU.
- b) The uniform grant application shall include a standard Agency Completed Section and a standard Grantee Completed Section.
- c) The completed application template serves as the transmittal for the agency-required~~agency-required~~ documentation that must be submitted to apply for grant funding. Each grant application is available from the NOFO (see Section 7000.310) provided through the publicly accessible CSFA.
- d) Unless an exception has been documented in ~~the agency's administrative rules and~~ the CSFA, State agencies shall use the uniform budget template provided by GATU and available through the GATA Resource Library at www.grants.illinois.gov.
 - 1) Illinois' uniform budget template was modeled after the federal budget template (SF-~~424A~~524).

2) The budget template includes major line items and may be modified for additional grant-specific budget lines. State awarding~~Grantmaking~~ agencies must~~should~~ format the template with the applicable line items before the template is released as part of the grant application.

3) The uniform budget template was designed as a compliant format with State agency flexibility. ~~A budget template guide in the Resource Library of the GATU website provides guidance on budget template modification.~~

e) Unless otherwise required by State or~~and~~ federal statute, as part of the application process, the State agency shall require the award applicant to submit mandatory disclosures, certifications and representations required by State and federal statutes or regulations.

f) Conflict of Interest
State agency staff and the award applicant must not have any conflicts of interest or apparent conflicts of interest that may impair the fairness and impartiality of the grant process. Authoritative sources and guidance regarding conflict of interest and financial disclosure are provided through the GATA Resource Library at www.grants.illinois.gov.

1) Applicant Responsibilities

A) Applicants shall disclose, in a timely manner and in writing, to the State awarding~~grantmaking~~ agency:

- i) All real or potential conflicts of interest related to the issuance or execution of the award; and
- ii) All violations of State or federal criminal law involving fraud, bribery or gratuity violations potentially affecting the award.

B) Applicants must comply with disclosure requirements specified in Section 60(a)(5) of the Act.

C) An applicant's~~Applicant~~ failure to make the required disclosures may result in remedial actions, including:

- i) Temporary withholding of cash payments pending correction of the deficiency or more severe enforcement action by the State awarding~~grantmaking~~ agency;

- ii) Disallowance of (i.e., denial of both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
- iii) Whole or partial suspension or termination of the award;
- iv) Initiation of suspension or debarment proceedings under 2 CFR 180. In the case of a pass-through entity, the State agency may recommend that such a proceeding be initiated by the federal awarding agency;
- v) Withholding further awards for the project or program; or
- vi) Taking any other remedial action that may be legally available.

2) State Agencies

Unless prohibited by federal ~~and/or~~ State statutes or regulations, each State ~~awarding grantmaking~~ agency ~~or pass-through entity~~ is authorized to require the awardee to submit certifications and representations required by federal and State statute or regulations, including Section 120 of GATA, on an annual basis. Submissions may be required more frequently if the awardee fails to meet a requirement of a State-issued ~~or federal pass-through~~ award.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.340 Grantee Risk Assessments – Financial and Administrative (ICQ) and Programmatic

- a) The UR identifies the risk assessment as a pre-award requirement (2 CFR 200.206(b)(1)).
- b) Formula-funded, federally mandated, and legislatively mandated awards are subject to risk assessment unless the terms of funding explicitly exclude a risk assessment. A risk assessment exception must be approved by GATU and recorded in the CSFA pursuant to Section 7000.60.

ca) Risk Posed by Applicants

1) Review of Existing Recipient Information

- A) For a grant applicant who is a prior awardee, the State awarding agency shall review available information on the awardee's prior performance. The evaluation may incorporate results of the evaluation of the applicant's eligibility or the quality of its application.
- B) The State awarding agency shall look for information that demonstrates a satisfactory record of executing programs or activities under federal ~~and/or~~ State-issued awards, cooperative agreements~~Cooperative Agreements~~, or procurement awards, as well as integrity and business ethics.
- C) ~~The With written GATU approval, the~~ State awarding agency may issue a grant to an awardee that does not fully meet these standards if it determines that the nonattainment is not relevant to the current State-issued award~~grant~~ under consideration or there are specific conditions that can appropriately mitigate the effects of the applicant's risk.

2) In evaluating risks posed by applicants, the State agency must use a risk-based approach that considers, at a minimum, the following criteria (2 CFR 200.206(b)):

- A) Financial stability;
- B) Management~~Quality of management~~ systems and standards;
- C) History of performance. ~~The applicant's record in managing State grants or federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous grants/awards, and, if applicable, the extent to which any previous amounts will be expended prior to future grants;~~
- D) Audit reports~~Reports~~ and findings; and ~~from audits performed on prior grants/awards;~~
- E) The applicant's ability to effectively implement ~~statutory, regulatory or other~~ requirements. imposed on awardees; and
- F) ~~Other information. The State agency must also evaluate the risks posed by applicants discerned during the application process.~~

3) If the State awarding agency determines that a State-issued award will be issued notwithstanding the risks posed, the agency shall establish in the Grant Agreement specific conditions, corresponding to the degree of risk assessed, that reduce this risk. ~~The program rules for the specific grant shall list the specific risk assessment criteria to be used. The grant announcement shall cross-reference this information.~~

b) ~~The UR identifies that the risk assessment as a pre-award requirement best practice.~~

c) ~~Formula-funded, federally mandated and legislatively mandated awards are subject to risk assessment unless the terms of funding explicitly exclude a risk assessment. A risk assessment exception must be approved by GATU and recorded in the CSFA pursuant to Section 7000.60.~~

d) There are 2 types of risk assessments: Financial and Administrative Risk Assessment and Programmatic Risk Assessment.

1) Financial and Administrative Risk Assessment. An automated Internal Control Questionnaire (ICQ) is used to review past performance of fiscal and administrative conditions and organization-level program delivery on prior awards and the applicant's ability to conform with federal and State statutory requirements. The ICQ centralizes the fiscal and administrative and organization-level program risk assessment.

A) An entity is required to complete the ICQ once annually. All State agencies use~~utilize~~ the ICQ results.

B) The ICQ is a pre-award requirement. The timing of the ICQ depends~~is dependent~~ on when the entity applies for State fiscal year funding.

C) The entity initiates the ICQ from the Grantee Portal (www.grants.illinois.gov/portal).

D) ICQ automation scores the questionnaire and assigns suggested specific conditions in response to the risk profile.

E) The State Cognizant Agency approves the risk profile and the subsequent specific conditions. All agencies issuing awards to the entity will apply the specific conditions resulting from the ICQ risk assessment.

- 3738 F) Local governmental agencies that register and prequalify
 3739 separately from the controlling local government must complete
 3740 the ICQ at the agency level.
 3741
 3742 i) Governmental agencies must have a unique DUNS number
 3743 or Unique Entity Identifier, as applicable, but the same
 3744 FEIN as the highest level of local government to be eligible
 3745 to register separately.
 3746
 3747 ii) Separate ICQs may be appropriate if governmental
 3748 agencies are independent in their fiscal and administrative
 3749 responsibility and reporting structure.
 3750
 3751 iii) Specific conditions described in subsection (e) would apply
 3752 to each ICQ.
 3753
 3754 2) Programmatic Risk Assessment. Program-specific risk assessments
 3755 evaluate the entity's ability to successfully carry out the terms of a
 3756 specific program. The assessment is conducted using the GATU-
 3757 prescribed program-specific risk assessment job aid~~customized based on~~
 3758 ~~the NOFO terms and the unique requirements of the grant.~~
 3759
 3760 A) With the program-specific job aid, the awarding State agency
 3761 considers both the ICQ responses regarding the organization-level
 3762 programmatic questions and the content of the application
 3763 submission.~~An entity is required to complete the programmatic~~
 3764 ~~risk assessment as part of the application process.~~
 3765
 3766 B) ~~The grantmaking agency distributes the customized programmatic~~
 3767 ~~risk assessment questionnaire to applicants that have met all other~~
 3768 ~~qualifications for an award.~~
 3769
 3770 BC) The State awarding~~grantmaking~~ agency scores the completed
 3771 program-specific job aid~~programmatic risk assessment~~
 3772 ~~questionnaire~~ and applies ~~the~~ specific conditions in response to the
 3773 risk profile.
 3774
 3775 CD) The State awarding~~grantmaking~~ agency approves the risk profile
 3776 and the subsequent specific conditions. The specific conditions are
 3777 applied to the Grant Agreement.
 3778
 3779 e) Specific Conditions
 3780

- 1) Within the Grant Agreement, the State awarding agency shall impose additional specific grant conditions when:
 - A) It determines, pursuant to subsection (d), that the applicant presents a significant amount of risk resulting from a significant deficiency ~~and/or~~ material weakness identified by the pre-award process;
 - B) An applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a State-issued award ~~grant~~ or federal award;
 - C) An applicant or recipient fails to meet expected performance goals described in the Grant Agreement; or
 - D) An applicant or recipient is otherwise judged to be not responsible.
- 2) Additional State-issued award ~~grant~~ conditions may include items such as the following:
 - A) Requiring payments as reimbursements rather than advance payments;
 - B) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within any timeframes established by the Grant Agreement;
 - C) Requiring additional, more detailed financial reports;
 - D) Requiring additional project monitoring;
 - E) Requiring the awardee to obtain technical or management assistance; or
 - F) Establishing additional prior approvals.
- 3) The State awarding ~~grantmaking~~ agency ~~or pass-through entity~~ will ~~use~~ utilize the NOSA process as required in Section 7000.360 to notify the applicant regarding specific conditions as follows:
 - A) The nature of the additional requirements;
 - B) The reason why the additional requirements are being imposed;

- C) The nature of the action needed to remove the additional requirements, if applicable;
- D) The time allowed for completing the actions, if applicable; and
- E) The method for requesting reconsideration of the additional requirements imposed.

4) ~~Awardees should utilize the Grantee Request to Remove a Specific Condition form when corrective action has been fully implemented. This form is available from the GATA Resource Library (www.grants.illinois.gov).~~

45) In response to ~~an~~the awardee's request to remove a specific condition ~~via the Grantee Request to Remove a Specific Condition~~, the applicable State awarding agency will remove any specific conditions promptly once the agency Director or designee determines that the issues have been corrected.

A) If the specific condition pertains to the ICQ risk assessment, the request must be reviewed by the State Cognizant Agency. The State Cognizant Agency shall determine if the implemented corrective action is sufficient and shall ~~use~~utilize the State Staff Inquiry Screen to remove the condition, if applicable.

B) If the specific condition pertains to a programmatic risk assessment or the merit-based review, the request must be reviewed by the State awarding agency that issued the condition. The agency that issued the condition will determine if the implemented corrective action is sufficient and ~~use~~utilize the State Staff Inquiry Screen to remove the condition, if applicable.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.350 Merit ~~Based~~ Review of Grant Application

- a) A merit ~~based-application~~ review is required for ~~competitive~~ (discretionary applications for financial assistance in the form of grants) ~~Grant~~ and cooperative agreements ~~Cooperative Agreements~~, unless prohibited by State or federal law ~~statute~~. This process must be described or incorporated by reference in the applicable NOFO. An appeals process must be described and incorporated with the merit ~~based~~ review process.

- b) If there is a multi-phase review process, the applicable NOFO must describe the phases.
- c) Pursuant to UR section 200.~~205~~204, State awarding agencies shall follow the uniform Merit ~~Based~~ Review process ~~Policy~~ in this Section. A printable copy of this process ~~policy~~ can be found in the GATA Resource Library at <https://gata.illinois.gov> ~~www.grants.illinois.gov~~.
- d) Discretionary ~~Competitive~~ grant evaluation criteria must be tied to the objectives or purpose of the federal or State-issued award ~~grant~~ program.
- 1) Evaluation criteria must include, at a minimum, the following categories of criteria:
 - A) Need: Identification of stakeholders, facts and evidence that demonstrate the proposal supports the grant program's purpose;
 - B) Capacity: The ability of an entity to execute the grant project according to project requirements; and
 - C) Quality: The totality of features and characteristics of a service, project or product that indicates its ability to satisfy the requirements of the grant program.
 - 2) Other evaluation criteria may be considered in addition to the required criteria in subsection (d)(1). Examples of other potential categories of criteria include:
 - A) Societal impact;
 - B) Economic impact;
 - C) Cost-effectiveness;
 - D) Sustainability; and
 - E) Grant-specific criteria.
- e) The merit ~~based~~ review shall be prepared in accordance with UR section 200.~~205~~204 and include the evaluation process description, criteria and importance stated in the grant application. The evaluation process shall include:

- 1) A statement of the evaluation criteria as specified in the grant application. The grant application shall state all criteria and their relative importance, including preferences, technical assistance options, and tie-breakers for equivalent scores after evaluation.
- 2) A statement of whether there are multiple phases of evaluation, along with a description of each phase.
- 3) A review of the application based solely on the criteria identified in the grant application. If there is a required change to the evaluation criteria ~~before~~^{prior} to the application deadline, the State ~~awarding grantmaking~~ agency shall notify applicants of the change, at a minimum, by posting notice of this change on its website and amending its CSFA listing to reflect the change.
- 4) Consideration of cost sharing, if applicable and stated in the terms of the grant application. The State ~~awarding grantmaking~~ agency must specifically define how it will evaluate cost sharing, such as whether it will assign additional points to cost-sharing applicants or use cost sharing to break ties among applications with equivalent scores after all other factors are evaluated. If cost sharing is used as an evaluation factor, this definition must include any restrictions on the types of costs that are acceptable (e.g., in-kind contributions).
- 5) Evaluation by Committee. Evaluation committee members shall be determined by the State ~~awarding grantmaking~~ agency, tailored to the particular grant application, and include, as appropriate, persons with the appropriate technical expertise to ensure a comprehensive evaluation of applicants.
 - A) Conflict of Interest. Evaluation committee members shall not have any conflicts of interest or apparent conflicts of interest.
 - i) Except when required by statute, evaluation committee members must neither have submitted an application nor represent an entity that has submitted an application for the grant program during the grant cycle under review.
 - ii) Committee members must sign the Merit Based Review confidentiality agreement and conflict of interest disclosure form provided by GATU. Evaluation Committee members must not have a conflict of interest or apparent conflicts of interest. The form documents the individual's attestation

and commitment to confidentiality in the review of grant applications. available at <https://www2.illinois.gov/sites/GATA/Documents/Resource%20Library/Confidentiality%20Agreement%20and%20Conflict%20of%20Interest%20Disclosure%20Grant%20Evaluation.pdf>.

- B) Confidentiality. Committee members shall be assigned a code for identification in the evaluation process. Evaluator names shall be disclosed only when required by audit, litigation, or public records request pursuant to FOIA (see Section 7000.430(e)).
- C) The head of a State awarding grantmaking agency or his/her designee may remove committee members for due cause, such as failure to comply with the directions of the grant application or evaluation process or failure to ensure the integrity of the awarding grantmaking process. The reasons for removing a committee member must be stated in writing.
- 6) Evaluation Based on Numerical Rating. Applications shall be assigned a numerical rating, unless another scoring methodology is more appropriate due to the unique circumstances of a particular grant program. In any case, the rating system must meet the following requirements:
 - A) Any scoring tool must reflect the evaluation criteria and ranking of priorities set forth in the grant application.
 - B) Committee members must have an individual score sheet that is completed independently.
 - C) A summary score sheet must be completed that shows the comparative scores and identifies the resulting finalists for the grant award.
 - D) Any significant or substantial variance among evaluator scores shall be reviewed and documented, along with any resulting revision of individual scores.
- 7) Verification that the entity has completed pre-award requirements, including grantee pre-qualification, conflict of interest and mandatory disclosures, fiscal and administrative risk assessment, and programmatic risk assessment.

f) Award

- 1) Awards shall be made pursuant to a written determination by the evaluation committee based on the evaluation set forth in the grant application and the finalists' completion of all pre-award requirements.
- 2) The agency shall issue a Notice of State-Issued Award (NOSA) to finalists that enables the finalists to make an informed decision whether to accept the grant. The NOSA shall include:
 - A) The terms and conditions of the award; and
 - B) If applicable, any specific conditions assigned to the finalist based on the fiscal, administrative and programmatic risk assessments and the merit~~merit-based~~ review.
- 3) Upon finalists' acceptance of the grant awards, the State ~~awarding grantmaking~~ agency shall announce the grant awards in the CSFA~~on grants.illinois.gov~~.
- 4) The agency shall send a written Notice of Denial to applicants not receiving awards.

g) Appeals Process

- 1) Appeals of discretionary~~competitive~~ grants are limited to the evaluation process. Evaluation scores may not be protested. Only the evaluation process is subject to appeal.
- 2) Appeals Review Officer (ARO). The agency head or ~~his/her~~ designee may appoint one or more AROs to consider the grant-related appeals and make a recommendation to the agency head or designee.
- 3) Submission of Appeal
 - A) An appeal must be submitted in writing and must comply with the appeal requirements included in the grant application document. It must include, at a minimum:
 - i) the name and address of the appealing party;
 - ii) an identification of the grant (i.e., CSFA number); and

iii) a statement of reasons for the appeal.

B) Appeals must be received within 14 calendar days after the date of publication of the grant award.

4) Response to Appeal

A) The State awarding agency must acknowledge receipt of the appeal within 14 calendar days after it received the appeal.

B) The State awarding agency shall respond to the appeal within 60 days. If this is impracticable, the agency must supply to the appealing party a written explanation of why additional time is required.

C) The appealing party must supply to the State awarding agency any additional information requested within the time period identified in the request for additional information.

5) Stay of Grant Agreement/Contract Execution

When an appeal is received, the execution of the grant in contention shall be stayed until either:

A) The appeal is resolved; or

B) The agency head or designee determines that the needs of the State require that the grant program move forward despite the appeal. This determination, and its rationale, must be documented in writing.

6) Resolution

A) The ARO shall make a recommendation to the agency head or designee as quickly as possible after receiving all relevant and requested information.

B) In determining this recommendation, the ARO shall consider the integrity of the discretionary~~competitive~~ grant process and the impact of the recommendation on the agency.

C) The State awarding agency shall resolve the appeal through ~~aby means of~~ written determination. This determination shall include, but not be limited to, the following:

- i) Review of the appeal;
- ii) Appeal determination; and
- iii) Rationale for the determination.

7) Effect of Judicial Proceedings

If an action concerning the appeal has commenced in a court or administrative body, the State awarding agency head or designee may defer resolution of the appeal pending the judicial or administrative determination.

- h) State awarding agencies shall maintain a file of the grantmaking process that includes the written determination of grant issuance, grant application and requirements. The grantmaking file shall be available for audit-related purposes.
- i) State awarding agencies may impose specific conditions on the awardee based on the merit-based review (see Section 7000.340(e) (Specific Conditions)).

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.360 Notice of State-Issued Award (NOSA)

~~a)~~ Prior to a State agency issuing an a-grant/award, the State agency must verify that there are no outstanding pre-award requirements. This includes verification of qualification, acceptance of risk assessments, approved budget, conflict of interest disclosures, and required certifications. All outstanding pre-award requirements must be resolved before a NOSA can be issued. This verification is automated either through the statewide grant management system or through the CSFA.

- ab) If there are no outstanding requirements, the State awardinggrantmaking agency must issue a NOSA through the CSFA to comply with federal requirements.

- be) The NOSA shall communicate:

- 1) Grant funding terms, including the source of funds;
- 2) Grant terms and conditions (including corresponding citations) specified by the funder, the State of Illinois, the State awardinggrantmaking agency, and the terms of the specific grant program;

- 4124 3) Specific conditions associated with the risk assessments and the merit
 4125 ~~based~~ review, if applicable; and
 4126
 4127 4) That the application budget has been approved.
 4128
 4129 cd) The State ~~awarding grantmaking~~ agency shall release the NOSA to the applicant
 4130 from the CSFA. The applicant shall receive the NOSA through the Grantee
 4131 Portal.
 4132
 4133 de) The applicant shall review the NOSA and determine whether it will accept the
 4134 specified terms of the award.
 4135
 4136 1) If the applicant accepts the NOSA, it is agreeing to all specified terms and
 4137 conditions. Applicant acceptance triggers a notification to the State
 4138 ~~awarding grantmaking~~ agency. The CSFA will flag the NOSA as
 4139 "accepted".
 4140
 4141 2) If the applicant denies the NOSA, it is refusing to accept the specified
 4142 terms and conditions. Applicant denial triggers a notification to the State
 4143 ~~awarding grantmaking~~ agency. The CSFA will flag the NOSA as
 4144 "denied". The State awarding grantmaking agency ~~must~~should contact the
 4145 applicant to discuss the denial decision.
 4146
 4147 A) If an incorrect response to the ICQ triggered a specific condition,
 4148 the State awarding grantmaking agency shall notify the State
 4149 Cognizant Agency. The State Cognizant Agency shall release the
 4150 ICQ to the organization for correction and resubmittal. If the
 4151 updated ICQ alters the risk profile of the organization and changes
 4152 the specific conditions for the organization, an updated NOSA
 4153 shall be generated by the State awarding grantmaking agency and
 4154 submitted to the applicant.
 4155
 4156 B) If the ICQ responses appear valid, the State awarding grantmaking
 4157 agency may need to clarify ~~capacity-building~~capacity building
 4158 necessary in the specified area and the process under which
 4159 specific conditions can be removed (see Section 7000.340(e)
 4160 (Specific Conditions)).
 4161
 4162 ef) Upon applicant acceptance of the NOSA, the State awarding grantmaking agency
 4163 shall initiate the Grant Agreement following the State agency's protocol.
 4164

4165 (Source: Amended at 47 Ill. Reg. _____, effective _____)
 4166

Section 7000.370 Uniform Grant Agreement

- a) A State agency issuing a grant shall enter into a Grant Agreement with the awardee before any grant funds are transmitted to that ~~awardee~~recipient/subrecipient. The Grant Agreement must include the following:

1) Awardee Information

- A) Name (which must match the name associated with the awardee's DUNS or Unique Entity Identifier, as applicable~~number~~);
- B) Awardee's DUNS or Unique Entity Identifier, as applicable~~number~~.

2) Agency Information

- A) Name of State awarding agency;
- B) Contact information for the State awarding agency~~official specified in the NOFO~~;
- C) Program under which the grant is being issued.

3) Grant Information

- A) CSFA number and name;
- B) Unique State-issued award identification number (SAIN);
- C) Project description;
- D) Type of grant;
- E) Award date;
- F) Period of performance start and end date;
- G) Amount of the grant, contingent upon available appropriations;
- H) Total amount of State or federal pass-through funds allocated;
- I) Estimated budget (funding provided by State awarding~~grantmaking~~ agency) approved by the State awarding~~grantmaking~~ agency;

- 4210
- 4211 J) Indirect cost rate for the State or federal pass-through award
- 4212 (including if the de minimis rate is charged or if there is a statutory
- 4213 limitation imposed by the funding agency);
- 4214
- 4215 K) Approved cost share or match, if applicable;
- 4216
- 4217 L) Identification of whether the award is for research and
- 4218 development; and
- 4219
- 4220 M) Any funds the agency may be authorized by statute to retain as its
- 4221 administrative expenses, citing the specific statutory authority.
- 4222
- 4223 4) General Terms and Conditions. State agencies must include in the Grant
- 4224 Agreement, as applicable, the following general terms and conditions,
- 4225 either by actual inclusion or by cross-reference:
- 4226
- 4227 A) Administrative requirements implemented by the State agency by
- 4228 rule;
- 4229
- 4230 B) State policy requirements, including State statutes or regulations
- 4231 that apply; and
- 4232
- 4233 C) Recipient integrity and performance matters.
- 4234
- 4235 5) Agency, Program or Grant Specific Terms and Conditions. The Grant
- 4236 Agreement shall include any terms and conditions necessary to
- 4237 communicate requirements that are specific to the grant, grant program or
- 4238 awardee, including citations to any relevant [Code of Federal Regulations](#)
- 4239 [\(CFR\)](#) or Illinois Administrative Code provisions, and other regulatory
- 4240 information.
- 4241
- 4242 6) Grant Performance Goals
- 4243
- 4244 A) The State [awarding](#) agency shall indicate the timing and scope of
- 4245 expected performance by the awardee as related to the outcomes
- 4246 the program is intended to achieve.
- 4247
- 4248 B) When appropriate, the Grant Agreement shall include specific
- 4249 performance goals, indicators, milestones or expected outcomes,
- 4250 with an expected timeline for accomplishment.
- 4251

7) Reporting requirements shall be clearly articulated so that they create a standard against which awardee performance can be measured. The State awarding agency may include program-specific requirements, as required to meet agency strategic goals and objectives or performance goals that are relevant to the grant program.

8) Any other information that enables the State awarding agency to adequately monitor the conduct of the awardee under the Grant Agreement and ensure adherence to the terms of the grant.

b) Revision of Budget and Program Plans

1) The approved budget for the State ~~issued award incorporated grant~~ included in the Grant Agreement by reference may include either the State and non-State share or only the State share, depending upon the specific State agency rules. The budget shall relate clearly to project or program performance.

2) Awardees are required to report deviations from budget or project scope or objective and request prior approvals from State awarding agencies in accordance with this Section. ~~An awardee shall not deviate from the budget, project scope, or objective stated in the Grant Agreement except with mutual agreement of the State grantmaking agency and the awardee. However, some revisions and deviations shall not be made without prior approval of the State grantmaking agency as required by subsection (b)(3).~~

3) Revisions – Nonconstruction Grant Agreements

A) Mandated Prior Approval. For nonconstruction grants, the awardee shall request prior approval from the State agency for any of the following program or budget-related reasons:

i) Change in the scope or the objective of the project or program (even if there is no associated budget revision).

ii) Change in a key person specified by the awardee ~~recipient/subrecipient~~ in the application or the Grant Agreement.

iii) Disengagement from the project for more than 3 months, or a 25% reduction in time devoted to the project, by the approved project director or principal investigator.

- iv) Transfer of funds budgeted for participant support costs.
- v) Unless described in the application and funded by the Grant Agreement, issuance of a subgrant transferring or contracting out of any work under a State-~~issued~~ award, including a fixed amount subgrant. This provision does not apply to the acquisition of supplies, material, equipment or general support services.
- vi) Changes in the approved awardee cost-share or match.
- vii) The need arises for additional State funds to complete the project.

B) Prior Approval at the State Agency's Discretion

- i) A State awarding agency must seek written approval from GATU before mandating prior approval for reasons beyond those enumerated in Section 7000.370(b)(3)(A). Upon receipt of GATU approval, the State awarding agency shall include additional mandates in the program rules if universally applicable, or in the Grant Agreement if awardee-specific. ~~If the State agency determines that additional prior approvals are needed to guarantee the integrity of a grant program, prior approval can be required in the program rules if universally applicable or in the Grant Agreement if awardee specific.~~
- ii) If the State agency determines that granting blanket approval of additional revisions ~~to~~ⁱⁿ or deviations from the budget, project scope, or objective stated in a nonconstruction Grant Agreement is warranted and will cause no threat to the integrity of the grant program, the agency shall include those policies in its grant program rules if universally applicable or in the Grant Agreement if awardee specific.
- iii) ~~No discretionary prior approval shall be required without GATU approval.~~

C) Transfer of Funds

i) In compliance with Section 7000.40(c)(1)(A)(iii), the~~The~~ State awarding agency may, in its program rules or a specific Grant Agreement, allow the transfer of funds among direct cost categories or programs, functions and activities, ~~if the cumulative amount of these transfers does not exceed 10% of the detail line or \$1,000, whichever is greater.~~

ii) The agency shall not permit a transfer that would cause any State appropriation to be used for purposes other than those for which that appropriation was made.

4) Revisions – Construction Grants. For State construction grants, the awardee must request prior written approval promptly from the State awarding agency for budget revisions whenever subsection (b)(4)(A), (b)(4)(B), or (b)(4)(c) applies:

A) The revision results from changes in the scope or the objective of the project or program;

B) The need arises for additional State funds to complete the project; or

C) A revision is desired that involves a specific cost for which prior written approval requirements may be imposed consistent with applicable cost principles listed in UR subpart E.~~no revisions or deviations in the budget stated in the nonconstruction Grant Agreement shall occur without the mutual agreement of the agency and the awardee.~~

5) When a State agency makes a State-~~issued award~~grant that provides support both for construction and nonconstruction work, the agency may require the awardee to obtain prior approval from the agency before making any fund or budget transfers between the two types of work supported.

6) When requesting approval for budget revisions, the recipient shall use the same format for budget information that was used in the application, unless the State agency's rules indicate that a letter of request suffices.

7) Within 30 calendar days after receipt of a request for budget revisions, the agency shall review the request and notify the ~~awardee~~recipient whether the budget revisions have been approved. If the revision is still under

consideration at the end of 30 calendar days, the agency shall inform the ~~awardee~~recipient in writing of the date the ~~awardee~~recipient may expect the decision.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

SUBPART E: STATE POST-AWARD REQUIREMENTS

Section 7000.400 GATA Performance Measurement (Repealed)

- a) ~~In compliance with GATA Section 95, GOMB, in conjunction with the Illinois Single Audit Commission, shall submit the annual report described in Section 7000.95(a).~~
- b) ~~GATA performance shall be evaluated in the following areas:~~
 - 1) ~~Number of entities placed on the Illinois Debarred and Suspended List and/or Illinois Stop Payment List;~~
 - 2) ~~Savings realized as a result of the GATA implementation;~~
 - 3) ~~Reduction in the number of duplicative audits;~~
 - 4) ~~Number of persons trained to assist awardees/grantees and subrecipients;~~
 - 5) ~~Number of awardees/grantees and subrecipients to whom a fiscal agent was assigned. [30 ILCS 708/95]~~

(Source: Repealed at 47 Ill. Reg. _____, effective _____)

Section 7000.410 Awardee Performance Measures

- a) State agencies shall apply UR sections 200.301 (Performance Measurement) and ~~200.329~~328 (Monitoring and Reporting Program Performance) for awardee performance oversight.
- b) State agencies must provide awardees with clear performance goals, indicators and milestones and establish performance reporting frequency.
 - 1) The awardee must submit performance reports at the interval required by the State agency, as specified in the Grant Agreement. Intervals must be no less frequent than annually and no more frequent than quarterly, except

in unusual circumstances (for example, as communicated through the Grant Agreement's Agreement specific conditions).

2) Annual reports are generally due 60 calendar days after the reporting period. Quarterly or semiannual reports due dates are set by the State awarding agency and must comply with the State program requirements~~must be due 30 calendar days after the reporting period.~~ Due dates must be communicated through the Grant Agreement.

c) The State agency shall require the awardee to use the Periodic Performance Report (PPR) to articulate performance outcomes. In addition, each State awarding grantmaking agency shall use~~utilize~~ the PPR to:

1) *Require its awardees to relate financial data and accomplishments to the performance goals and objectives*~~accomplishments~~ of the award; and

2) When applicable, require awardees *to provide cost information to demonstrate cost-effective practices.* [30 ILCS 708/50(c)(1)]

d) The awardee's performance shall be measured in a way that will help the State awarding grantmaking agency and other applicants and recipients to improve program outcomes, share lessons learned, spread the adoption of promising practices, and build the evidence upon which the State agency's program and performance decisions are made.

e) The State awarding grantmaking agency shall use~~utilize~~ the performance measurement data provided by the awardee to manage execution of the Grant Agreement.

1) Actual accomplishments during the specified period must~~should~~ be compared to the objectives of the award. Reasons for not meeting goals must~~should~~ be specified.

2) Trends in performance must~~should~~ be addressed through technical assistance, desk ~~and/or~~ field reviews, ~~and/or~~ monitoring. If applicable, the State agency may consider a change (increase or decrease) in the amount of the award based on awardee performance.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.420 Centralized Indirect Cost Rate Negotiation

This Subpart applies to State ~~awarding grantmaking~~ agencies ~~and, State~~ awardees receiving awards from State and federal pass-through funds. With permission from the federal government, Illinois has centralized the negotiation and election of indirect cost rates with State and federal pass-through awardees.

- a) The State of Illinois' Indirect Cost Rate Negotiator will support the negotiation of indirect cost rates and ~~or~~ cost rate elections. A User Guide for the Indirect Cost Rate Negotiation System ~~centralized indirect cost rate negotiation system~~ is provided in the GATA Resource Library to support State agency and awardee use of the system.
- b) Requirements for State Awarding ~~Grantmaking~~ Agencies
 - 1) Illinois ~~will use~~ ~~shall utilize~~ the centralized Indirect Cost Rate Election System (ICRES). This system will be used by awardees, ~~from the Grantee Portal,~~ to make an ~~annual~~ indirect cost rate election ~~or negotiate a rate with the State of Illinois pursuant to one of the following options.~~ Options for indirect cost rate election ~~or negotiation~~ include:
 - A) If eligible, election of the de minimis rate of 10% of modified total direct costs (MTDC) allowed by UR section 200.414(f);
 - B) If applicable, submit a copy of the current federal Negotiated Indirect Cost Rate Agreement (NICRA);
 - C) Election of "waive" or "no rate", meaning the awardee will not request or receive reimbursement for any indirect costs; ~~or~~
 - D) Negotiate a rate with the State of Illinois (State Rate); or
 - E) Federal Rate Maintained Internally (FRMI) (local governments only).
 - 2) All approved elections and negotiated rates shall be recorded in the State Staff Inquiry Screen for State agency reference.
 - 3) Once a rate is negotiated or an election is recorded ~~accepted~~, all State ~~awarding grantmaking~~ agencies are required to accept the approved rate, unless an exception has been granted by GATU requiring a lower rate or limitation on the amount charged.

- A) The effective period of the de minimis rate election will remain in effect in perpetuity, or until a different election is made by the grantee, and therefore does not require an annual election;
- B) The effective period of the Federal Negotiated Indirect Cost Rate Agreement (NICRA) is determined by the federal cognizant agency;
- C) The effective period of the “waive” or "no rate" election will remain in effect in perpetuity, or until a different election is made by the grantee, and therefore does not require an annual election;
- D) The effective period of a Negotiated Indirect Cost Rate with the State of Illinois will be based on the grantee’s fiscal year. A State Rate requires an annual election, submission and negotiation process; and
- E) The effective period of the Federal Rate Maintained Internally (FRMI) (local governments only), will be based on the grantee’s fiscal year. An FRMI requires an annual election, submission and review process.

- 4) The awardee may volunteer to accept a lower indirect cost rate on an award. State agencies shall not force or coerce an awardee to take a lower rate.

c) Requirements for the Grant Accountability and Transparency Unit

- 1) Provide and maintain the ICRES;
- 2) Review, accept and record elections of Federal NICRA; and
- 3) Provide technical assistance as required by Section 60(a)(9) of GATA.

de) Requirements for State Cognizant Agencies (SCA)

- 1) The assigned SCA is required to review and, ~~if appropriate,~~ accept or reject the State Rate and FRMIs ~~negotiated rate or election~~ of its ~~awardees~~ awardee. Acceptance must be recorded in the ~~Illinois' centralized~~ Indirect Cost Rate Negotiation System maintained by the State of Illinois Indirect Cost Rate Negotiator.

- 2) ~~If the State Rate or FRMI is rejected, the~~The SCA shall provide technical support to its assigned awardees during the indirect cost rate election and negotiation/election process.
- 3) ~~On a case-by-case basis, the State of Illinois Indirect Cost Rate Negotiator shall determine if the submitted indirect cost rate proposal is complete for negotiation. Independence issues require the Negotiator to be separated from proposal development. If the submitted proposal is not complete, the Negotiator shall notify the SCA and the awardee.~~
- 4) ~~If the submitted proposal is not complete and the Indirect Cost Rate Negotiator cannot proceed with a rate negotiation, the SCA shall review the awardee's proposal submitted in the centralized Indirect Cost Rate System and provide additional technical assistance to the awardee or notify GATU that additional technical support may be necessary.~~
- 5) ~~If, after receiving additional assistance from the SCA and GATU, it is determined that an awardee lacks the capacity to prepare a complete proposal in compliance with federal cost principles, a final determination notification will be sent to the awardee. The final determination notification must include the reasons why the proposal did not meet the minimum requirements and recommend the awardee seek professional assistance in order to proceed with a future State negotiated indirect cost rate proposal. The recommendation may also include alternatives to a State negotiated rate, such as the election of the 10% de minimis rate, if eligible.~~
 - A) ~~If issues appear to be close to resolution, GATU may allow additional technical assistance to be offered by the Negotiator; or~~
 - B) ~~GATU may concur with the SCA. If so, GATU and the SCA shall notify the awardee that professional assistance is required to complete the negotiation process.~~

ed) Requirements for an Organization Receiving a State or Federal Pass-through Funded Award

- 1) ~~Each~~Annually, ~~each~~ organization receiving an award from a State ~~awarding grantmaking~~ agency is required to make one of the following indirect cost rate elections through ICRES in the Grantee Portal~~enter the centralized Indirect Cost Rate System and make one of the following elections for indirect costs to State and federal pass-through grants:~~

- A) Election of the de minimis rate of 10% of MTDC;
- ~~B~~A) Federal Negotiated Indirect Cost Rate Agreement (NICRA);
- ~~B)~~ ~~Election of the de minimis rate of 10% of MTDC;~~
- C) Election to waive or not to charge indirect costs; ~~or~~
- D) Negotiate a State rate; or ~~Negotiation of an indirect cost rate.~~
- E) Federal Rate Maintained Internally (FRMI) (local governments only).

- 2) The awardee shall make one election or negotiate one rate that all State agencies must accept unless there are federal or State program limitations, caps or supplanting issues.
- 3) The accepted election or negotiated rate shall be recorded in the Grantee Portal and the State Staff Inquiry Screen.
- 4) The awardee may volunteer to accept a lower indirect cost rate on an award. State agencies are not allowed to force or coerce an awardee to take a lower rate.
- 5) Awardees that fail to make an election in ICRES or negotiate a rate in the ~~centralized~~ Indirect Cost Rate Negotiation System will not be allowed to charge indirect costs to awards. Any indirect costs previously reimbursed during the corresponding grant period without making an election may be credited against future payments.

fe) Requirements for Local Education Agencies (LEAs)

- 1) Based upon the U.S. Department of Education delegation agreement with the State of Illinois, the Illinois State Board of Education (ISBE) has the authority to develop indirect cost rates for LEAs. The indirect cost rates developed by ISBE for the LEAs shall apply to ~~for~~ all State and federal pass-through awards issued by State agencies to the LEAs.
- 2) LEA indirect cost rates will be posted centrally by GOMB on ~~in~~ the State Staff Inquiry Screen. LEAs are not required to enter information into ICRES ~~the centralized Indirect Cost Rate System~~ (see subsection (b)(1)).

gf) Requirements for Local Governments

- 1) Based on how the local government registers (in accordance with Section 7000.320~~220~~), the local governmental department or agency unit shall make an indirect cost rate election ~~or negotiate a rate with the State~~ through ICRES ~~the Indirect Cost Rate System~~. If the governmental department or agency unit registers separately, for example, each governmental department or agency unit would ~~negotiate or~~ make a separate indirect cost rate election.
 - A) Local governments can make one election ~~negotiate one indirect cost rate~~ that will cover all governmental departments or agency units; or
 - B) Local governments can make an election ~~negotiate an indirect cost rate~~ per individual governmental department or agency unit.
- 2) If a governmental department or agency unit receives more than \$35 million in direct federal funding, it must submit an indirect cost rate proposal to its federal cognizant agency. The State of Illinois cannot negotiate an indirect cost rate for local governmental departments or agency units receiving more than \$35 million in direct federal funding.
 - A) If the governmental department or agency unit chooses not to negotiate a rate with its federal cognizant agency, no indirect costs can be reimbursed.
 - B) If the federal cognizant agency will only negotiate a rate for its administered programs, the local government shall provide the federal refusal to negotiate to ~~request an exception from~~ GATU. The local government will then be eligible to elect to negotiate a State Rate.
- 3) If the local governmental department or agency unit receives less than \$35 million in direct federal funding, it must make ~~submit~~ an indirect cost rate election through ICRES and submit the proposal in ~~proposal to the State of Illinois' centralized~~ Indirect Cost Rate Negotiation System.
 - A) Per UR appendix VII, these governmental departments or agency units must develop an indirect cost proposal in accordance with this subsection (~~gf~~) and maintain the proposal and related supporting documentation for audit and monitoring. The local government must make the election of a Federal Rate Maintained Internally (FRMI) in ICRES.

- B) These indirect cost rate proposals shall be submitted to the Indirect Cost Rate Negotiation System~~State of Illinois~~ for review and monitoring. ~~The proposals are not required to be submitted to the federal cognizant agency for indirect costs.~~
- C) The State of Illinois is required to monitor the rate. Monitoring includes reviewing the allocation methodology for reasonableness and to ensure no unallowable costs are included in the rate methodology.
- 4) If a local governmental department or agency unit does not receive direct federal funding, it must make an election through ICRES and if applicable, submit an indirect cost rate proposal through the centralized Indirect Cost Rate Negotiation System.
- 5) All local governments that ~~use~~utilize a central service cost allocation plan must submit this plan in conjunction with an indirect cost rate proposal.

hg) Requirements for Nonprofits

- 1) Except as otherwise provided in 2 CFR 200.414(f), nonprofits~~Nonprofits~~ that receive direct federal funding must negotiate an indirect cost rate with their federal cognizant agency. They may elect the de minimis rate through the federal cognizant agency.
- A) If the nonprofit chooses not to negotiate a rate with its federal cognizant agency, no indirect costs can be reimbursed.
- B) If the federal cognizant agency will only negotiate a rate for its administered programs, the nonprofit shall inform GATU of the federal agency's refusal to negotiate. The nonprofit is then eligible to make an election in ICRES~~request an exception from GATU.~~
- 2) The State of Illinois cannot negotiate an indirect cost rate for nonprofits that receive direct federal funding.

ih) Retention of Indirect Cost Rate Proposals and Central Service Cost Allocation Plans

This subsection applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, central service cost allocation plans, and any similar accounting computations of the rate at which a

particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

- 1) If Submitted for Negotiation
If the proposal, plan or other computation is required to form the basis for negotiation of the rate, the 3-year retention period for the supporting record starts from the date of that submission.
- 2) If Not Submitted for Negotiation
If the proposal, plan or other computation is not required for negotiation purposes, the 3-year retention period for the proposal, plan or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan or other computation.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.430 Records Retention

- a) Financial records, supporting documents, statistical records, and all other awardee records pertinent to a State-issued award shall be retained for 3 years after the date of submission of the final expenditure report or, for awards renewed quarterly or annually, after the date of the submission of the quarterly or annual financial report to the State agency. Awardees that are State or local government agencies must retain financial records, supporting documents, statistical records, and all other awardee records pertinent to a State-issued award in accordance with the State Records Act [5 ILCS 160] and the Local Records Act [50 ILCS 205].
- b) State agencies shall not impose any other record retention requirements upon awardees, with the following exceptions:
 - 1) If any litigation, claim or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
 - 2) When the awardee is required in writing by the State agency or the Auditor General to follow a different retention policy, that policy shall be followed.
 - 3) Records for real property and equipment acquired with State funds must be retained for 3 years after final disposition.
 - 4) When records are transferred to or maintained by the agency, the 3-year retention requirement is not applicable to the awardee.

- 5) When awardees are required to report program income after the period of performance, the retention period for the records pertaining to the program income starts from the end of the awardee's fiscal year in which the program income is earned.
- 6) Refer to Section 7000.420(~~ih~~) for retention requirements regarding indirect cost rate proposals and cost allocation plans.

c) Requests for Transfer of Records

The State agency shall require the awardee to transfer specified records to its custody when it determines that the records ~~have~~~~possess~~ long-term retention value. However, ~~in order~~ to avoid duplicate recordkeeping, the agency may make arrangements for the awardee to retain any records that are continuously needed for joint use.

d) Methods for Collection, Transmission and Storage of Information

The State agency and the awardee shall, whenever practicable, collect, transmit and store State-~~issued award~~ ~~grant~~-related information in open and ~~machine-readable~~~~machine-readable~~ formats, but the agency shall always provide or accept paper versions upon request. If paper copies are submitted, the agency shall not require more than an original and 2 copies. When original records are paper, electronic versions may be made and substituted if they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

e) Access to Records

1) Awardee Records

Any entity of the State, including, but not limited to, the State agency, the Auditor General, the Attorney General, any Executive Inspector General, and the Inspector General of the State agency, as applicable, and the federal awarding agency, Inspectors General, the Comptroller General of the United States, when applicable, or any of their authorized representatives, shall have access to any documents, papers or other records of the awardee that are pertinent to the grant ~~in order~~ to make audits, examinations, excerpts and transcripts. The right also includes timely and reasonable access to the awardee's personnel for the purpose of interview and discussion related to these documents.

2) Confidentiality for Crime Victims

Pursuant to the Rights of Crime Victims and Witnesses Act and other Illinois victim protection laws, only under extraordinary and rare

circumstances shall the access in subsection (f)(1) include knowledge of the true names of victims of a crime. When access to the true names of victims of a crime is necessary, appropriate steps to protect this sensitive information shall be taken by both the awardee and the State agency. Any access to this information, other than under a court order or subpoena issued by a court of competent jurisdiction pursuant to a bona fide confidential investigation, shall be approved by the head of the State agency.

3) Expiration of Right of Access

The right of access granted by this Section lasts as long as the records are required to be retained. State agencies shall not impose any other access requirements upon awardees.

f) Restrictions on Public Access to Records

No State agency shall place restrictions on the awardee limiting public access to the awardee's records pertinent to a State-issued award~~grant~~, except as required by law, when necessary to safeguard protected personally identifiable information or when the awardee demonstrates that these records will be kept confidential and would have been exempted from disclosure by FOIA if the records had belonged to the State agency. FOIA does not apply to records that remain under a awardee's control except as required under this Section. Unless required by federal or State statute, awardees are not required to permit public access to their records. The awardee's records provided to a State agency generally will be subject to FOIA and applicable exemptions.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.440 Grant Closeout

a) The State agency will close out the award when it determines that all applicable administrative actions and all required work of the awardee have been completed by the awardee.

b) The awardee and the State agency shall take the following action to complete grant closeout at the end of the period of performance:

1) The awardee must submit, no later than 60 calendar days after the end date of the period of performance, all financial, performance and other reports required by the Grant Agreement. The State agency may approve extensions when requested. Extensions~~Extension~~ shall only be issued under extraordinary circumstances that were not in the control of the awardee.

- 2) Unless the State agency authorizes an extension, an awardee must liquidate all obligations incurred under the grant not later than 60 calendar days after the end of the period of performance specified in the Grant Agreement.
- 3) The State agency shall make prompt payments to the awardee for allowable reimbursable costs under the grant.
- 4) Within 45 days after the end of the grant term, the~~The~~ awardee must ~~promptly~~ refund any balances of unobligated cash that the agency paid in advance and that are not authorized to be retained by the awardee for use in other projects.
- 5) Consistent with the Grant Agreement, the State agency shall make a settlement for any upward or downward adjustments to the State and federal share of costs after closeout reports are received.
- 6) The awardee must account for any real and personal property acquired with State funds or received from the State.
- 7) The State agency shall complete all closeout actions for State-issued awards~~grants~~ no later than one year after receipt and acceptance of all required final reports.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 7000.450 Continuing Responsibilities

- a) The closeout of a State-issued award~~grant~~ does not affect any of the following:
 - 1) The right of the State agency to disallow costs and recover funds based on a later audit or other review. The agency must make any cost disallowance determination and notify the awardee within the record retention period.
 - 2) The obligation of the awardee to return any funds due as a result of later refunds, corrections or other transactions, including final indirect cost rate adjustments.
 - 3) Consolidated year-end financial report. (See Section 7000.90(hg).)
 - 4) Audit requirements established in this Part.

- 5) Property management and disposition requirements in UR sections 200.310 through 316.
 - 6) Records retention. (See Section 7000.430.)
- b) After closeout of the grant, a relationship created under the Grant Agreement may be modified or ended in whole or in part with the consent of the agency and the awardee, provided the responsibilities of the awardee referred to in subsection (a) are considered and provision is made for continuing responsibilities of the awardee, as appropriate.
- c) Collection of Amounts Due
- 1) Any funds paid to the awardee in excess of the amount to which the awardee is finally determined to be entitled under the Grant Agreement constitute a debt to the State of Illinois. If not paid within 60 calendar days after demand, the State agency may reduce the debt by:
 - A) Making an administrative offset against other requests for reimbursements;
 - B) Withholding advance payments otherwise due to the awardee;
 - C) Arranging a repayment plan; or
 - D) Other action permitted by the Illinois State Collection Act of 1986.
 - 2) The agency shall charge interest on an overdue debt in accordance with the Illinois State Collection Act of 1986. The date from which interest is computed is not extended by litigation or the filing of [an](#) appeal.

(Source: Amended at 47 Ill. Reg. _____, effective _____)